



**Iowa General Assembly**  
**Daily Bills, Amendments and Study Bills**  
**April 22, 2013**

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Senate File 435

H-1321

1 Amend the amendment, H-1297, to Senate File 435,  
2 as amended, passed, and reprinted by the Senate, as  
3 follows:  
4 1. Page 11, line 17, by striking <2,400,000> and  
5 inserting <2,900,000>  
6 2. Page 11, after line 19 by inserting:  
7 <c. (1) Of the moneys appropriated in paragraph  
8 "a", \$500,000 shall be transferred to the Iowa  
9 cooperative extension service in agriculture and home  
10 economics at Iowa state university to be for purposes  
11 of providing outreach, education, and support services.  
12 (2) The Iowa cooperative extension service shall  
13 use moneys transferred in subparagraph (1) to provide  
14 organizational and technical support to formal  
15 associations of persons who hold a legal interest in  
16 land used for agricultural production in priority  
17 watersheds approved by the water resources coordinating  
18 council established pursuant to section 466B.3 and to  
19 implement practices that result in measured improvement  
20 in water quality consistent with the purpose of an  
21 Iowa nutrient reduction strategy. The strategy shall  
22 assess and reduce nitrogen and phosphorus in this  
23 state's water sources, and especially its watersheds  
24 in a manner consistent with the latest revision of the  
25 document entitled "Iowa Nutrient Reduction Strategy"  
26 initially presented in November 2012 by the department  
27 of agriculture and land stewardship, the department of  
28 natural resources, and Iowa state university of science  
29 and technology.>

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ISENHART of Dubuque

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BEARINGER of Fayette

H1297.1777 (5) 85

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da/jp

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Senate File 386

H-1322

1 Amend Senate File 386, as passed by the Senate, as  
2 follows:

3 1. Page 6, by striking lines 17 through 31 and  
4 inserting:

5 <Sec. \_\_\_\_\_. Section 321J.20, subsections 1 and 2,  
6 Code 2013, are amended to read as follows:

7 1. a. The department may, on application, issue  
8 a temporary restricted license to a person whose  
9 noncommercial driver's license is revoked under this  
10 chapter allowing the person to drive to and from the  
11 person's home and specified places at specified times  
12 which can be verified by the department and which are  
13 required by the any of the following:

14 (1) The person's full-time or part-time  
15 employment.

16 (2) The person's continuing health care or the  
17 continuing health care of another who is dependent upon  
18 the person.

19 (3) The person's continuing education while  
20 enrolled in an educational institution on a part-time  
21 or full-time basis and while pursuing a course of study  
22 leading to a diploma, degree, or other certification of  
23 successful educational completion.

24 (4) The person's substance abuse treatment.

25 (5) The person's court-ordered community service  
26 responsibilities, and appointments.

27 (6) Appointments with the person's parole or  
28 probation officer.

29 (7) Transport of the person's dependent minor child  
30 to and from school when public school transportation is  
31 not available for the child.

32 (8) Transport of the person's dependent minor child  
33 to and from child care when necessary for the person's  
34 full-time or part-time employment.

35 b. The department may also issue a temporary  
36 restricted license under this subsection that allows  
37 the person to drive for work purposes within the scope  
38 of the person's full-time or part-time employment.  
39 Any vehicle operated within the scope of the person's  
40 full-time or part-time employment must be equipped  
41 at all times with an ignition interlock device of a  
42 type approved by the commissioner of public safety,  
43 notwithstanding any provision of section 321J.4,  
44 321J.9, or 321J.12 to the contrary.

45 c. The department may issue a temporary restricted  
46 license under this subsection only if the person's  
47 driver's license has not been revoked previously under  
48 section 321J.4, 321J.9, or 321J.12 and if any of the  
49 following apply:

50 (1) The person's noncommercial driver's license is

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1 revoked under section 321J.4 and the minimum period of  
2 ineligibility for issuance of a temporary restricted  
3 license has expired. This subsection shall not apply  
4 to a revocation ordered under section 321J.4 resulting  
5 from a plea or verdict of guilty of a violation of  
6 section 321J.2 that involved a death.

7 (2) The person's noncommercial driver's license is  
8 revoked under section 321J.9 and the person has entered  
9 a plea of guilty on a charge of a violation of section  
10 321J.2 which arose from the same set of circumstances  
11 which resulted in the person's driver's license  
12 revocation under section 321J.9 and the guilty plea  
13 is not withdrawn at the time of or after application  
14 for the temporary restricted license, and the minimum  
15 period of ineligibility for issuance of a temporary  
16 restricted license has expired.

17 (3) The person's noncommercial driver's license is  
18 revoked under section 321J.12, and the minimum period  
19 of ineligibility for issuance of a temporary restricted  
20 license has expired.

21 ~~b.~~ d. A temporary restricted license may  
22 be issued under this subsection if the person's  
23 noncommercial driver's license is revoked for two years  
24 under section 321J.4, subsection 2, or section 321J.9,  
25 subsection 1, paragraph "b", and the first three  
26 hundred sixty-five days of the revocation have expired.

27 ~~e.~~ e. This subsection does not apply to a person  
28 whose license was revoked under section 321J.2A or  
29 section 321J.4, subsection 4 or 6, or to a person whose  
30 license is suspended or revoked for another reason.

31 ~~d.~~ f. Following the applicable minimum period  
32 of ineligibility, a temporary restricted license  
33 under this subsection shall not be issued until the  
34 applicant installs an ignition interlock device of a  
35 type approved by the commissioner of public safety on  
36 all motor vehicles owned or operated by the applicant  
37 in accordance with section 321J.2, 321J.4, 321J.9,  
38 or 321J.12, or this subsection. Installation of an  
39 ignition interlock device under this subsection shall  
40 be required for the period of time for which the  
41 temporary restricted license is issued and for such  
42 additional period of time following reinstatement as is  
43 required under section 321J.17, subsection 3.

44 2. Page 7, by striking lines 16 through 21 and  
45 inserting <which are required by the any of the  
46 following:

47 (1) The person's full-time or part-time  
48 employment.

49 (2) The person's continuing health care or the  
50 continuing health care of another who is dependent upon

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dea/nh

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- 1 the person.  
2 (3) The person's continuing education while  
3 enrolled in an educational institution on a part-time  
4 or full-time basis and while pursuing a course of study  
5 leading to a diploma, degree, or other certification of  
6 successful educational completion, or.  
7 (4) The person's substance abuse treatment.  
8 (5) The person's court-ordered community service  
9 responsibilities.  
10 (6) Appointments with the person's parole or  
11 probation officer.  
12 (7) Transport of the person's dependent minor child  
13 to and from child care when necessary for the person's  
14 full-time or part-time employment.>  
15 3. By renumbering as necessary.

\_\_\_\_\_  
BALTIMORE of Boone



Iowa General Assembly  
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House File 631

H-1323

- 1 Amend House File 631 as follows:
- 2 1. Page 1, by striking lines 15 through 26.
- 3 2. By renumbering as necessary.

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HAGENOW of Polk



Iowa General Assembly  
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House File 356

H-1324

1 Amend the Senate amendment, H-1280, to House File  
2 356, as amended, passed, and reprinted by the House, as  
3 follows:

4 1. Page 1, by striking lines 7 and 8 and inserting  
5 <to collect thereon is sold or otherwise assigned for  
6 value to a third party other than a state or federally  
7 chartered bank or credit union,>

8 2. By renumbering as necessary.

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BALTIMORE of Boone



Iowa General Assembly  
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Senate File 435

H-1325

1 Amend the amendment, H-1297, to Senate File 435,  
2 as amended, passed, and reprinted by the Senate, as  
3 follows:  
4 1. Page 4, after line 32 by inserting:  
5 <\_. Of the amount appropriated in subsection  
6 1, \$1,000 shall be used by the department of natural  
7 resources to establish resources and strategies to  
8 promote the reduction and recovery of excess food items  
9 generated on a large scale by businesses formed on a  
10 profit or nonprofit basis, state agencies, and local  
11 governments.  
12 a. The department shall establish resources and  
13 strategies based on the same priorities set forth in  
14 the food recovery hierarchy adopted by the United  
15 States environmental protection agency. The department  
16 shall develop resources and strategies for practical  
17 voluntary use by businesses, state agencies, and local  
18 governments.  
19 b. The department, including its Iowa waste  
20 exchange, shall administer this subsection in  
21 cooperation with the Iowa waste reduction center for  
22 the safe and economic management of solid waste and  
23 hazardous substances established pursuant to section  
24 268.4.  
25 c. The department shall prepare a report that  
26 identifies barriers that prevent businesses, state  
27 agencies, and local governments from reducing and  
28 recovering excess food items, and makes recommendations  
29 regarding how state government may better provide  
30 resources and strategies described in this subsection.  
31 In preparing the report the department shall consult  
32 with interested persons who generate a large volume  
33 of excess food items, or associations representing  
34 such persons, including for profit or nonprofit  
35 businesses; state agencies, including the department of  
36 corrections, regents institutions, community colleges,  
37 and hospitals; and local governments. The department  
38 shall submit a report to the governor and general  
39 assembly by January 1, 2015.>  
40 2. By renumbering, redesignating, and correcting  
41 internal references as necessary.

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ISENHART of Dubuque

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JACOBY of Johnson

H1297.1706 (2) 85

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Senate File 435

H-1326

1 Amend the amendment, H-1297, to Senate File 435,  
2 as amended, passed, and reprinted by the Senate, as  
3 follows:  
4 1. Page 1, line 20, by striking <17,581,328> and  
5 inserting <17,831,328>  
6 2. Page 1, after line 27 by inserting:  
7 <2A. a. Of the amount appropriated in subsection  
8 1, up to \$250,000 shall be deposited in the local  
9 food and farm program fund created in section 267A.5,  
10 contingent upon a dollar for dollar match with moneys  
11 deposited into the fund by a source other than the  
12 state.  
13 b. The moneys specified in paragraph "a" shall  
14 be used for purposes of supporting the innovative  
15 diversification of agricultural products for delivery  
16 to local and regional markets.>  
17 3. By renumbering, redesignating, and correcting  
18 internal references as necessary.

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ISENHART of Dubuque

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KRESSIG of Black Hawk



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Senate File 442

H-1327

1 Amend the amendment, H-1306, to Senate File 442, as  
2 passed by the Senate, as follows:

3 1. By striking page 1, line 1, through page 6, line  
4 26, and inserting:

5 <Amend Senate File 442, as passed by the Senate, as  
6 follows:

7 1. By striking everything after the enacting clause  
8 and inserting:

9 <DIVISION I  
10 FY 2013-2014

11 Section 1. JUDICIAL BRANCH.

12 1. There is appropriated from the general fund of  
13 the state to the judicial branch for the fiscal year  
14 beginning July 1, 2013, and ending June 30, 2014, the  
15 following amount, or so much thereof as is necessary,  
16 to be used for the purposes designated:

17 a. For salaries of supreme court justices,  
18 appellate court judges, district court judges,  
19 district associate judges, associate juvenile judges,  
20 associate probate judges, judicial magistrates and  
21 staff, state court administrator, clerk of the supreme  
22 court, district court administrators, clerks of the  
23 district court, juvenile court officers, board of law  
24 examiners and board of examiners of shorthand reporters  
25 and judicial qualifications commission; receipt and  
26 disbursement of child support payments; reimbursement  
27 of the auditor of state for expenses incurred in  
28 completing audits of the offices of the clerks of the  
29 district court during the fiscal year beginning July  
30 1, 2013; and maintenance, equipment, and miscellaneous  
31 purposes:

32 ..... \$164,599,367

33 b. For deposit in the revolving fund created  
34 pursuant to section 602.1302, subsection 3, for jury  
35 and witness fees, mileage, costs related to summoning  
36 jurors, fees for interpreters, and reimbursement of  
37 attorney fees paid by the state public defender:

38 ..... \$ 3,100,000

39 2. The judicial branch, except for purposes of  
40 internal processing, shall use the current state budget  
41 system, the state payroll system, and the Iowa finance  
42 and accounting system in administration of programs  
43 and payments for services, and shall not duplicate the  
44 state payroll, accounting, and budgeting systems.

45 3. The judicial branch shall submit monthly  
46 financial statements to the legislative services  
47 agency and the department of management containing  
48 all appropriated accounts in the same manner as  
49 provided in the monthly financial status reports and  
50 personal services usage reports of the department

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1 of administrative services. The monthly financial  
2 statements shall include a comparison of the dollars  
3 and percentage spent of budgeted versus actual revenues  
4 and expenditures on a cumulative basis for full-time  
5 equivalent positions and dollars.

6 4. The judicial branch shall focus efforts upon the  
7 collection of delinquent fines, penalties, court costs,  
8 fees, surcharges, or similar amounts.

9 5. The offices of the clerks of the district court  
10 shall operate in all 99 counties and be accessible to  
11 the public during regular business hours.

12 6. In addition to the requirements for transfers  
13 under section 8.39, the judicial branch shall not  
14 change the appropriations from the amounts appropriated  
15 to the judicial branch in this division of this Act,  
16 unless notice of the revisions is given prior to their  
17 effective date to the legislative services agency.  
18 The notice shall include information on the branch's  
19 rationale for making the changes and details concerning  
20 the workload and performance measures upon which the  
21 changes are based.

22 7. The judicial branch shall submit a semiannual  
23 update to the legislative services agency specifying  
24 the amounts of fines, surcharges, and court costs  
25 collected using the Iowa court information system since  
26 the last report. The judicial branch shall continue  
27 to facilitate the sharing of vital sentencing and  
28 other information with other state departments and  
29 governmental agencies involved in the criminal justice  
30 system through the Iowa court information system.

31 8. The judicial branch shall provide a report to  
32 the general assembly by January 1, 2014, concerning  
33 the amounts received and expended from the enhanced  
34 court collections fund created in section 602.1304 and  
35 the court technology and modernization fund created in  
36 section 602.8108, subsection 7, during the fiscal year  
37 beginning July 1, 2012, and ending June 30, 2013, and  
38 the plans for expenditures from each fund during the  
39 fiscal year beginning July 1, 2013, and ending June 30,  
40 2014. A copy of the report shall be provided to the  
41 legislative services agency.

42 Sec. 2. CIVIL TRIALS — LOCATION. Notwithstanding  
43 any provision to the contrary, for the fiscal year  
44 beginning July 1, 2013, and ending June 30, 2014, if  
45 all parties in a case agree, a civil trial including a  
46 jury trial may take place in a county contiguous to the  
47 county with proper jurisdiction, even if the contiguous  
48 county is located in an adjacent judicial district or  
49 judicial election district. If the trial is moved  
50 pursuant to this section, court personnel shall treat

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1 the case as if a change of venue occurred. However,  
2 if a trial is moved to an adjacent judicial district  
3 or judicial election district, the judicial officers  
4 serving in the judicial district or judicial election  
5 district receiving the case shall preside over the  
6 case.

7 Sec. 3. TRAVEL REIMBURSEMENT. Notwithstanding  
8 section 602.1509, for the fiscal year beginning July 1,  
9 2013, a judicial officer may waive travel reimbursement  
10 for any travel outside the judicial officer's county of  
11 residence to conduct official judicial business.

12 Sec. 4. POSTING OF REPORTS IN ELECTRONIC FORMAT —  
13 LEGISLATIVE SERVICES AGENCY. All reports or copies of  
14 reports required to be provided by the judicial branch  
15 for fiscal year 2013-2014 to the legislative services  
16 agency shall be provided in an electronic format. The  
17 legislative services agency shall post the reports on  
18 its internet website and shall notify by electronic  
19 means all the members of the joint appropriations  
20 subcommittee on the justice system when a report  
21 is posted. Upon request, copies of the reports may  
22 be mailed to members of the joint appropriations  
23 subcommittee on the justice system.

24 Sec. 5. JUDICIAL OFFICER — UNPAID  
25 LEAVE. Notwithstanding the annual salary rates  
26 for judicial officers established by 2008 Iowa Acts,  
27 chapter 1191, section 11, for the fiscal year beginning  
28 July 1, 2013, and ending June 30, 2014, the supreme  
29 court may by order place all judicial officers on  
30 unpaid leave status on any day employees of the  
31 judicial branch are placed on temporary layoff status.  
32 The biweekly pay of the judicial officers shall be  
33 reduced accordingly for the pay period in which the  
34 unpaid leave date occurred in the same manner as for  
35 noncontract employees of the judicial branch. Through  
36 the course of the fiscal year, the judicial branch may  
37 use an amount equal to the aggregate amount of salary  
38 reductions due to the judicial officer unpaid leave  
39 days for any purpose other than for judicial salaries.

40 Sec. 6. IOWA COMMUNICATIONS NETWORK. It is the  
41 intent of the general assembly that the judicial branch  
42 utilize the Iowa communications network or other secure  
43 electronic communications in lieu of traveling for the  
44 fiscal year beginning July 1, 2013.

45 DIVISION II  
46 FY 2014-2015

47 Sec. 7. JUDICIAL BRANCH.

48 1. There is appropriated from the general fund of  
49 the state to the judicial branch for the fiscal year  
50 beginning July 1, 2014, and ending June 30, 2015, the

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1 following amount, or so much thereof as is necessary,  
2 to be used for the purposes designated:  
3     a. For salaries of supreme court justices,  
4 appellate court judges, district court judges,  
5 district associate judges, associate juvenile judges,  
6 associate probate judges, judicial magistrates and  
7 staff, state court administrator, clerk of the supreme  
8 court, district court administrators, clerks of the  
9 district court, juvenile court officers, board of law  
10 examiners and board of examiners of shorthand reporters  
11 and judicial qualifications commission; receipt and  
12 disbursement of child support payments; reimbursement  
13 of the auditor of state for expenses incurred in  
14 completing audits of the offices of the clerks of the  
15 district court during the fiscal year beginning July  
16 1, 2014; and maintenance, equipment, and miscellaneous  
17 purposes:  
18 ..... \$139,909,462  
19     b. For deposit in the revolving fund created  
20 pursuant to section 602.1302, subsection 3, for jury  
21 and witness fees, mileage, costs related to summoning  
22 jurors, fees for interpreters, and reimbursement of  
23 attorney fees paid by the state public defender:  
24 ..... \$ 2,635,000  
25     2. The judicial branch, except for purposes of  
26 internal processing, shall use the current state budget  
27 system, the state payroll system, and the Iowa finance  
28 and accounting system in administration of programs  
29 and payments for services, and shall not duplicate the  
30 state payroll, accounting, and budgeting systems.  
31     3. The judicial branch shall submit monthly  
32 financial statements to the legislative services  
33 agency and the department of management containing  
34 all appropriated accounts in the same manner as  
35 provided in the monthly financial status reports and  
36 personal services usage reports of the department  
37 of administrative services. The monthly financial  
38 statements shall include a comparison of the dollars  
39 and percentage spent of budgeted versus actual revenues  
40 and expenditures on a cumulative basis for full-time  
41 equivalent positions and dollars.  
42     4. The judicial branch shall focus efforts upon the  
43 collection of delinquent fines, penalties, court costs,  
44 fees, surcharges, or similar amounts.  
45     5. The offices of the clerks of the district court  
46 shall operate in all 99 counties and be accessible to  
47 the public during regular business hours.  
48     6. In addition to the requirements for transfers  
49 under section 8.39, the judicial branch shall not  
50 change the appropriations from the amounts appropriated

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1 to the judicial branch in this division of this Act,  
2 unless notice of the revisions is given prior to their  
3 effective date to the legislative services agency.  
4 The notice shall include information on the branch's  
5 rationale for making the changes and details concerning  
6 the workload and performance measures upon which the  
7 changes are based.

8 7. The judicial branch shall submit a semiannual  
9 update to the legislative services agency specifying  
10 the amounts of fines, surcharges, and court costs  
11 collected using the Iowa court information system since  
12 the last report. The judicial branch shall continue  
13 to facilitate the sharing of vital sentencing and  
14 other information with other state departments and  
15 governmental agencies involved in the criminal justice  
16 system through the Iowa court information system.

17 8. The judicial branch shall provide a report to  
18 the general assembly by January 1, 2015, concerning  
19 the amounts received and expended from the enhanced  
20 court collections fund created in section 602.1304 and  
21 the court technology and modernization fund created in  
22 section 602.8108, subsection 7, during the fiscal year  
23 beginning July 1, 2013, and ending June 30, 2014, and  
24 the plans for expenditures from each fund during the  
25 fiscal year beginning July 1, 2014, and ending June 30,  
26 2015. A copy of the report shall be provided to the  
27 legislative services agency.

28 Sec. 8. CIVIL TRIALS — LOCATION. Notwithstanding  
29 any provision to the contrary, for the fiscal year  
30 beginning July 1, 2014, and ending June 30, 2015, if  
31 all parties in a case agree, a civil trial including a  
32 jury trial may take place in a county contiguous to the  
33 county with proper jurisdiction, even if the contiguous  
34 county is located in an adjacent judicial district or  
35 judicial election district. If the trial is moved  
36 pursuant to this section, court personnel shall treat  
37 the case as if a change of venue occurred. However,  
38 if a trial is moved to an adjacent judicial district  
39 or judicial election district, the judicial officers  
40 serving in the judicial district or judicial election  
41 district receiving the case shall preside over the  
42 case.

43 Sec. 9. TRAVEL REIMBURSEMENT. Notwithstanding  
44 section 602.1509, for the fiscal year beginning July 1,  
45 2014, a judicial officer may waive travel reimbursement  
46 for any travel outside the judicial officer's county of  
47 residence to conduct official judicial business.

48 Sec. 10. POSTING OF REPORTS IN ELECTRONIC FORMAT —  
49 LEGISLATIVE SERVICES AGENCY. All reports or copies of  
50 reports required to be provided by the judicial branch

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1 for fiscal year 2014-2015 to the legislative services  
2 agency shall be provided in an electronic format. The  
3 legislative services agency shall post the reports on  
4 its internet website and shall notify by electronic  
5 means all the members of the joint appropriations  
6 subcommittee on the justice system when a report  
7 is posted. Upon request, copies of the reports may  
8 be mailed to members of the joint appropriations  
9 subcommittee on the justice system.

10 Sec. 11. JUDICIAL OFFICER — UNPAID  
11 LEAVE. Notwithstanding the annual salary rates  
12 for judicial officers established by 2008 Iowa Acts,  
13 chapter 1191, section 11, for the fiscal year beginning  
14 July 1, 2014, and ending June 30, 2015, the supreme  
15 court may by order place all judicial officers on  
16 unpaid leave status on any day employees of the  
17 judicial branch are placed on temporary layoff status.  
18 The biweekly pay of the judicial officers shall be  
19 reduced accordingly for the pay period in which the  
20 unpaid leave date occurred in the same manner as for  
21 noncontract employees of the judicial branch. Through  
22 the course of the fiscal year, the judicial branch may  
23 use an amount equal to the aggregate amount of salary  
24 reductions due to the judicial officer unpaid leave  
25 days for any purpose other than for judicial salaries.

26 Sec. 12. IOWA COMMUNICATIONS NETWORK. It is the  
27 intent of the general assembly that the judicial branch  
28 utilize the Iowa communications network or other secure  
29 electronic communications in lieu of traveling for the  
30 fiscal year beginning July 1, 2014.

31 \_\_\_\_\_. Page 1, after line 1 by inserting:

32 Sec. \_\_\_\_\_. SUPREME COURT JUSTICE SALARY.

33 1. Any justice appointed to the supreme court  
34 prior to April 3, 2009, and who remains a justice of  
35 the supreme court on or after the date the electorate  
36 ratifies a constitutional amendment declaring marriage  
37 between one man and one woman is the only valid or  
38 recognized legal union in this state, shall have the  
39 salary of the justice reduced in accordance with this  
40 section unless the justice resigns immediately.

41 2. If the justice does not resign, the salary  
42 reduction shall be calculated and implemented as  
43 follows:

44 a. The total amount to be reduced from the future  
45 salary of such a justice shall equal the difference  
46 between the total amount of the salary earned by  
47 the justice between April 3, 2009, and the date the  
48 electorate ratified the constitutional amendment,  
49 and the total amount of the salary earned by a member  
50 of the general assembly between April 3, 2009, and

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1 the date the electorate ratified the constitutional  
2 amendment.  
3 b. Upon calculating the total amount of the salary  
4 to be reduced pursuant to paragraph "a", the salary of  
5 the justice shall be reduced to equal the salary of a  
6 current member of the general assembly.  
7 c. The salary of the justice shall be reduced until  
8 such time as the total amount of the salary to be  
9 reduced in paragraph "a" equals the total amount of the  
10 actual salary reduction under paragraph "b".>>

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ALONS of Sioux

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SHAW of Pocahontas

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SHEETS of Appanoose

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GASSMAN of Winnebago

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HEARTSILL of Marion





Iowa General Assembly  
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Senate Amendment to  
House File 152

H-1328

1 Amend House File 152, as amended, passed, and  
2 reprinted by the House, as follows:  
3 1. Page 1, before line 1 by inserting:  
4 <Section 1. Section 468.187, Code 2013, is amended  
5 to read as follows:  
6 **468.187 Agreements with outside owners or other**  
7 **districts.**  
8 1. Levee and drainage districts are empowered to  
9 enter into agreements with the owners of lands lying  
10 inside or outside of said districts, or with other  
11 levee and drainage districts or municipalities, to  
12 provide levee protection or drainage for such lands on  
13 such terms as the board may agree and subject to the  
14 following terms and conditions:  
15 1. a. The facilities of the district furnishing  
16 the service shall not be overburdened.  
17 2. b. There shall be no additional cost to the  
18 district furnishing the service.  
19 3. c. The agreement shall be in writing, be made  
20 a part of the drainage records and shall include all  
21 of the following:  
22 a. (1) The description of the lands to be served.  
23 b. (2) The location of tile lines constructed or  
24 to be constructed.  
25 c. (3) The consideration to be paid to the  
26 district furnishing the service and the classification  
27 of the lands to be served.  
28 d. (4) Such other provisions as the board deems  
29 necessary.  
30 2. The provisions in an agreement described in  
31 subsection 1 modify other provisions of this chapter  
32 applicable to such lands.  
33 2. Page 2, line 27, after <trustees.> by inserting  
34 <The two additional persons shall be elected at  
35 large by all qualified voters for the entire drainage  
36 or levee district. Of the five persons elected as  
37 trustees of the new drainage or levee district, not  
38 more than two persons shall be elected from the same  
39 specified election district.>  
40 3. Title page, by striking lines 1 and 2 and  
41 inserting <An Act relating to drainage or levee  
42 districts by providing for agreements with owners  
43 of land located within districts, providing for the  
44 management of districts by a board of trustees, and  
45 including effective date provisions.>  
46 4. By renumbering, redesignating, and correcting  
47 internal references as necessary.

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Senate File 447

H-1329

1 Amend Senate File 447, as amended, passed, and  
2 reprinted by the Senate, as follows:  
3 1. By striking everything after the enacting clause  
4 and inserting:

5 <DIVISION I  
6 FY 2013-2014  
7 APPROPRIATIONS

8 Section 1. DEPARTMENT OF JUSTICE.

9 1. There is appropriated from the general fund  
10 of the state to the department of justice for the  
11 fiscal year beginning July 1, 2013, and ending June 30,  
12 2014, the following amounts, or so much thereof as is  
13 necessary, to be used for the purposes designated:

14 a. For the general office of attorney general for  
15 salaries, support, maintenance, and miscellaneous  
16 purposes, including the prosecuting attorneys training  
17 program, matching funds for federal violence against  
18 women grant programs, victim assistance grants, office  
19 of drug control policy prosecuting attorney program,  
20 and odometer fraud enforcement, and for not more than  
21 the following full-time equivalent positions:

22 ..... \$ 7,221,367  
23 ..... FTEs 214.00

24 It is the intent of the general assembly that as  
25 a condition of receiving the appropriation provided  
26 in this lettered paragraph, the department of justice  
27 shall maintain a record of the estimated time incurred  
28 representing each agency or department.

29 b. For victim assistance grants:

30 ..... \$ 2,876,400

31 The funds appropriated in this lettered paragraph  
32 shall be used to provide grants to care providers  
33 providing services to crime victims of domestic abuse  
34 or to crime victims of rape and sexual assault.

35 The balance of the victim compensation fund  
36 established in section 915.94 may be used to provide  
37 salary and support of not more than 24 FTEs and  
38 to provide maintenance for the victim compensation  
39 functions of the department of justice.

40 The department of justice shall transfer at least  
41 \$150,000 from the victim compensation fund established  
42 in section 915.94 to the victim assistance grant  
43 program.

44 c. For legal services for persons in poverty grants  
45 as provided in section 13.34:

46 ..... \$ 2,107,416

47 2. a. The department of justice, in submitting  
48 budget estimates for the fiscal year commencing July  
49 1, 2014, pursuant to section 8.23, shall include a  
50 report of funding from sources other than amounts

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1 appropriated directly from the general fund of the  
2 state to the department of justice or to the office of  
3 consumer advocate. These funding sources shall include  
4 but are not limited to reimbursements from other state  
5 agencies, commissions, boards, or similar entities, and  
6 reimbursements from special funds or internal accounts  
7 within the department of justice. The department of  
8 justice shall also report actual reimbursements for the  
9 fiscal year commencing July 1, 2012, and actual and  
10 expected reimbursements for the fiscal year commencing  
11 July 1, 2013.

12 b. The department of justice shall include the  
13 report required under paragraph "a", as well as  
14 information regarding any revisions occurring as a  
15 result of reimbursements actually received or expected  
16 at a later date, in a report to the co-chairpersons  
17 and ranking members of the joint appropriations  
18 subcommittee on the justice system and the legislative  
19 services agency. The department of justice shall  
20 submit the report on or before January 15, 2014.

21 Sec. 2. OFFICE OF CONSUMER ADVOCATE. There is  
22 appropriated from the department of commerce revolving  
23 fund created in section 546.12 to the office of  
24 consumer advocate of the department of justice for the  
25 fiscal year beginning July 1, 2013, and ending June 30,  
26 2014, the following amount, or so much thereof as is  
27 necessary, to be used for the purposes designated:

28 For salaries, support, maintenance, miscellaneous  
29 purposes, and for not more than the following full-time  
30 equivalent positions:

31 ..... \$ 3,136,163  
32 ..... FTEs 22.00

33 Sec. 3. DEPARTMENT OF CORRECTIONS — FACILITIES.

34 1. There is appropriated from the general fund of  
35 the state to the department of corrections for the  
36 fiscal year beginning July 1, 2013, and ending June  
37 30, 2014, the following amounts, or so much thereof as  
38 is necessary, to be used for the operation of adult  
39 correctional institutions, reimbursement of counties  
40 for certain confinement costs, and federal prison  
41 reimbursement, to be allocated as follows:

42 a. For the operation of the Fort Madison  
43 correctional facility, including salaries, support,  
44 maintenance, and miscellaneous purposes:  
45 ..... \$ 43,107,133

46 The department of corrections shall submit, to  
47 the co-chairpersons and ranking members of the joint  
48 appropriations subcommittee on the justice system by  
49 January 15, 2014, the plans for the integration of the  
50 John Bennett facility and the clinical care unit into

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1 the new Fort Madison maximum security correctional  
2 facility and the future plans for the use of the  
3 current Fort Madison maximum security correctional  
4 facility after the inmates are transferred to the new  
5 facility.  
6 b. For the operation of the Anamosa correctional  
7 facility, including salaries, support, maintenance, and  
8 miscellaneous purposes:  
9 ..... \$ 31,277,482  
10 c. For the operation of the Oakdale correctional  
11 facility, including salaries, support, maintenance, and  
12 miscellaneous purposes:  
13 ..... \$ 58,550,123  
14 d. For the operation of the Newton correctional  
15 facility, including salaries, support, maintenance, and  
16 miscellaneous purposes:  
17 ..... \$ 27,127,290  
18 e. For the operation of the Mt. Pleasant  
19 correctional facility, including salaries, support,  
20 maintenance, and miscellaneous purposes:  
21 ..... \$ 24,811,427  
22 f. For the operation of the Rockwell City  
23 correctional facility, including salaries, support,  
24 maintenance, and miscellaneous purposes:  
25 ..... \$ 9,671,148  
26 g. For the operation of the Clarinda correctional  
27 facility, including salaries, support, maintenance, and  
28 miscellaneous purposes:  
29 ..... \$ 25,241,616  
30 Moneys received by the department of corrections as  
31 reimbursement for services provided to the Clarinda  
32 youth corporation are appropriated to the department  
33 and shall be used for the purpose of operating the  
34 Clarinda correctional facility.  
35 h. For the operation of the Mitchellville  
36 correctional facility, including salaries, support,  
37 maintenance, and miscellaneous purposes:  
38 ..... \$ 21,604,035  
39 i. For the operation of the Fort Dodge correctional  
40 facility, including salaries, support, maintenance, and  
41 miscellaneous purposes:  
42 ..... \$ 29,865,232  
43 j. For reimbursement of counties for temporary  
44 confinement of work release and parole violators, as  
45 provided in sections 901.7, 904.908, and 906.17, and  
46 for offenders confined pursuant to section 904.513:  
47 ..... \$ 1,075,092  
48 k. For federal prison reimbursement, reimbursements  
49 for out-of-state placements, and miscellaneous  
50 contracts:

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1 ..... \$ 484,411  
2 2. The department of corrections shall use moneys  
3 appropriated in subsection 1 to continue to contract  
4 for the services of a Muslim imam and a Native American  
5 spiritual leader.  
6 Sec. 4. DEPARTMENT OF CORRECTIONS —  
7 ADMINISTRATION. There is appropriated from the general  
8 fund of the state to the department of corrections for  
9 the fiscal year beginning July 1, 2013, and ending June  
10 30, 2014, the following amounts, or so much thereof as  
11 is necessary, to be used for the purposes designated:  
12 1. For general administration, including salaries,  
13 support, maintenance, employment of an education  
14 director to administer a centralized education  
15 program for the correctional system, and miscellaneous  
16 purposes:  
17 ..... \$ 5,081,582  
18 a. It is the intent of the general assembly  
19 that each lease negotiated by the department of  
20 corrections with a private corporation for the purpose  
21 of providing private industry employment of inmates in  
22 a correctional institution shall prohibit the private  
23 corporation from utilizing inmate labor for partisan  
24 political purposes for any person seeking election to  
25 public office in this state and that a violation of  
26 this requirement shall result in a termination of the  
27 lease agreement.  
28 b. It is the intent of the general assembly that as  
29 a condition of receiving the appropriation provided in  
30 this subsection the department of corrections shall not  
31 enter into a lease or contractual agreement pursuant to  
32 section 904.809 with a private corporation for the use  
33 of building space for the purpose of providing inmate  
34 employment without providing that the terms of the  
35 lease or contract establish safeguards to restrict, to  
36 the greatest extent feasible, access by inmates working  
37 for the private corporation to personal identifying  
38 information of citizens.  
39 2. For educational programs for inmates at state  
40 penal institutions:  
41 ..... \$ 2,358,109  
42 a. To maximize the funding for educational  
43 programs, the department shall establish guidelines  
44 and procedures to prioritize the availability of  
45 educational and vocational training for inmates based  
46 upon the goal of facilitating an inmate's successful  
47 release from the correctional institution.  
48 b. The director of the department of corrections  
49 may transfer moneys from Iowa prison industries and the  
50 canteen operating funds established pursuant to section

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1 904.310, for use in educational programs for inmates.  
2 c. Notwithstanding section 8.33, moneys  
3 appropriated in this subsection that remain unobligated  
4 or unexpended at the close of the fiscal year shall not  
5 revert but shall remain available to be used only for  
6 the purposes designated in this subsection until the  
7 close of the succeeding fiscal year.  
8 3. For the development of the Iowa corrections  
9 offender network (ICON) data system:  
10 ..... \$ 2,000,000  
11 4. For offender mental health and substance abuse  
12 treatment:  
13 ..... \$ 22,319  
14 5. For viral hepatitis prevention and treatment:  
15 ..... \$ 167,881  
16 Sec. 5. JUDICIAL DISTRICT DEPARTMENTS OF  
17 CORRECTIONAL SERVICES.  
18 1. There is appropriated from the general fund of  
19 the state to the department of corrections for the  
20 fiscal year beginning July 1, 2013, and ending June  
21 30, 2014, for salaries, support, maintenance, and  
22 miscellaneous purposes, the following amounts, or  
23 so much thereof as is necessary, to be allocated as  
24 follows:  
25 a. For the first judicial district department of  
26 correctional services:  
27 ..... \$ 13,646,172  
28 b. For the second judicial district department of  
29 correctional services:  
30 ..... \$ 10,870,425  
31 c. For the third judicial district department of  
32 correctional services:  
33 ..... \$ 6,885,470  
34 d. For the fourth judicial district department of  
35 correctional services:  
36 ..... \$ 5,495,309  
37 e. For the fifth judicial district department of  
38 correctional services, including funding for electronic  
39 monitoring devices for use on a statewide basis:  
40 ..... \$ 19,375,428  
41 f. For the sixth judicial district department of  
42 correctional services:  
43 ..... \$ 14,095,408  
44 g. For the seventh judicial district department of  
45 correctional services:  
46 ..... \$ 7,363,514  
47 h. For the eighth judicial district department of  
48 correctional services:  
49 ..... \$ 7,869,317  
50 2. Each judicial district department of

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1 correctional services, within the funding available,  
2 shall continue programs and plans established within  
3 that district to provide for intensive supervision, sex  
4 offender treatment, diversion of low-risk offenders  
5 to the least restrictive sanction available, job  
6 development, and expanded use of intermediate criminal  
7 sanctions.

8 3. Each judicial district department of  
9 correctional services shall provide alternatives to  
10 prison consistent with chapter 901B. The alternatives  
11 to prison shall ensure public safety while providing  
12 maximum rehabilitation to the offender. A judicial  
13 district department of correctional services may also  
14 establish a day program.

15 4. The governor's office of drug control policy  
16 shall consider federal grants made to the department  
17 of corrections for the benefit of each of the eight  
18 judicial district departments of correctional services  
19 as local government grants, as defined pursuant to  
20 federal regulations.

21 5. The department of corrections shall continue  
22 to contract with a judicial district department  
23 of correctional services to provide for the rental  
24 of electronic monitoring equipment which shall be  
25 available statewide.

26 Sec. 6. DEPARTMENT OF CORRECTIONS — REALLOCATION  
27 OF APPROPRIATIONS. Notwithstanding section 8.39,  
28 within the moneys appropriated in this division of this  
29 Act to the department of corrections, the department  
30 may reallocate the moneys appropriated and allocated as  
31 necessary to best fulfill the needs of the correctional  
32 institutions, administration of the department, and the  
33 judicial district departments of correctional services.  
34 However, in addition to complying with the requirements  
35 of sections 904.116 and 905.8 and providing notice  
36 to the legislative services agency, the department  
37 of corrections shall also provide notice to the  
38 department of management, prior to the effective date  
39 of the revision or reallocation of an appropriation  
40 made pursuant to this section. The department of  
41 corrections shall not reallocate an appropriation or  
42 allocation for the purpose of eliminating any program.

43 Sec. 7. INTENT — REPORTS.

44 1. The department of corrections in cooperation  
45 with townships, the Iowa cemetery associations, and  
46 other nonprofit or governmental entities may use inmate  
47 labor during the fiscal year beginning July 1, 2013,  
48 to restore or preserve rural cemeteries and historical  
49 landmarks. The department in cooperation with the  
50 counties may also use inmate labor to clean up roads,

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1 major water sources, and other water sources around the  
2 state.

3     2. On a quarterly basis the department shall  
4 provide a status report regarding private-sector  
5 employment to the legislative services agency beginning  
6 on July 1, 2013. The report shall include the number  
7 of offenders employed in the private sector, the  
8 combined number of hours worked by the offenders, the  
9 total amount of allowances, and the distribution of  
10 allowances pursuant to section 904.702, including any  
11 moneys deposited in the general fund of the state.

12     Sec. 8. ELECTRONIC MONITORING REPORT. The  
13 department of corrections shall submit a report on  
14 electronic monitoring to the general assembly, to the  
15 co-chairpersons and the ranking members of the joint  
16 appropriations subcommittee on the justice system, and  
17 to the legislative services agency by January 15, 2014.  
18 The report shall specifically address the number of  
19 persons being electronically monitored and break down  
20 the number of persons being electronically monitored  
21 by offense committed. The report shall also include a  
22 comparison of any data from the prior fiscal year with  
23 the current year.

24     Sec. 9. STATE AGENCY PURCHASES FROM PRISON  
25 INDUSTRIES.

26     1. As used in this section, unless the context  
27 otherwise requires, "state agency" means the government  
28 of the state of Iowa, including but not limited to  
29 all executive branch departments, agencies, boards,  
30 bureaus, and commissions, the judicial branch,  
31 the general assembly and all legislative agencies,  
32 institutions within the purview of the state board of  
33 regents, and any corporation whose primary function is  
34 to act as an instrumentality of the state.

35     2. State agencies are hereby encouraged to purchase  
36 products from Iowa state industries, as defined in  
37 section 904.802, when purchases are required and the  
38 products are available from Iowa state industries.  
39 State agencies shall obtain bids from Iowa state  
40 industries for purchases of office furniture during the  
41 fiscal year beginning July 1, 2013, exceeding \$5,000  
42 or in accordance with applicable administrative rules  
43 related to purchases for the agency.

44     Sec. 10. IOWA LAW ENFORCEMENT ACADEMY.

45     1. There is appropriated from the general fund of  
46 the state to the Iowa law enforcement academy for the  
47 fiscal year beginning July 1, 2013, and ending June 30,  
48 2014, the following amount, or so much thereof as is  
49 necessary, to be used for the purposes designated:

50     For salaries, support, maintenance, miscellaneous

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1 purposes, including jailer training and technical  
2 assistance, and for not more than the following  
3 full-time equivalent positions:  
4 ..... \$ 1,001,698  
5 ..... FTEs 23.88  
6 It is the intent of the general assembly that the  
7 Iowa law enforcement academy may provide training of  
8 state and local law enforcement personnel concerning  
9 the recognition of and response to persons with  
10 Alzheimer's disease.  
11 The Iowa law enforcement academy may temporarily  
12 exceed and draw more than the amount appropriated in  
13 this subsection and incur a negative cash balance as  
14 long as there are receivables equal to or greater than  
15 the negative balance and the amount appropriated in  
16 this subsection is not exceeded at the close of the  
17 fiscal year.  
18 2. The Iowa law enforcement academy may select  
19 at least five automobiles of the department of public  
20 safety, division of state patrol, prior to turning over  
21 the automobiles to the department of administrative  
22 services to be disposed of by public auction, and  
23 the Iowa law enforcement academy may exchange any  
24 automobile owned by the academy for each automobile  
25 selected if the selected automobile is used in training  
26 law enforcement officers at the academy. However,  
27 any automobile exchanged by the academy shall be  
28 substituted for the selected vehicle of the department  
29 of public safety and sold by public auction with the  
30 receipts being deposited in the depreciation fund to  
31 the credit of the department of public safety, division  
32 of state patrol.  
33 Sec. 11. STATE PUBLIC DEFENDER. There is  
34 appropriated from the general fund of the state to the  
35 office of the state public defender of the department  
36 of inspections and appeals for the fiscal year  
37 beginning July 1, 2013, and ending June 30, 2014, the  
38 following amounts, or so much thereof as is necessary,  
39 to be allocated as follows for the purposes designated:  
40 1. For salaries, support, maintenance,  
41 miscellaneous purposes, and for not more than the  
42 following full-time equivalent positions:  
43 ..... \$ 25,862,182  
44 ..... FTEs 219.00  
45 2. For payments on behalf of eligible adults and  
46 juveniles from the indigent defense fund, in accordance  
47 with section 815.11:  
48 ..... \$ 29,901,929  
49 Sec. 12. BOARD OF PAROLE. There is appropriated  
50 from the general fund of the state to the board of

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1 parole for the fiscal year beginning July 1, 2013, and  
2 ending June 30, 2014, the following amount, or so much  
3 thereof as is necessary, to be used for the purposes  
4 designated:

5 For salaries, support, maintenance, miscellaneous  
6 purposes, and for not more than the following full-time  
7 equivalent positions:

8 ..... \$ 1,203,835  
9 ..... FTEs 11.00

10 Sec. 13. DEPARTMENT OF PUBLIC DEFENSE. There is  
11 appropriated from the general fund of the state to  
12 the department of public defense for the fiscal year  
13 beginning July 1, 2013, and ending June 30, 2014, the  
14 following amounts, or so much thereof as is necessary,  
15 to be used for the purposes designated:

16 1. MILITARY DIVISION

17 For salaries, support, maintenance, miscellaneous  
18 purposes, and for not more than the following full-time  
19 equivalent positions:

20 ..... \$ 6,527,042  
21 ..... FTEs 293.61

22 The military division may temporarily exceed  
23 and draw more than the amount appropriated in this  
24 subsection and incur a negative cash balance as long  
25 as there are receivables of federal funds equal to  
26 or greater than the negative balance and the amount  
27 appropriated in this subsection is not exceeded at the  
28 close of the fiscal year.

29 2. HOMELAND SECURITY AND EMERGENCY MANAGEMENT  
30 DIVISION OR SUCCESSOR AGENCY

31 For salaries, support, maintenance, miscellaneous  
32 purposes, and for not more than the following full-time  
33 equivalent positions:

34 ..... \$ 2,174,277  
35 ..... FTEs 37.40

36 a. The homeland security and emergency management  
37 division or successor agency may temporarily exceed  
38 and draw more than the amount appropriated in this  
39 subsection and incur a negative cash balance as long  
40 as there are receivables of federal funds equal to  
41 or greater than the negative balance and the amount  
42 appropriated in this subsection is not exceeded at the  
43 close of the fiscal year.

44 b. It is the intent of the general assembly that  
45 the homeland security and emergency management division  
46 or successor agency work in conjunction with the  
47 department of public safety, to the extent possible,  
48 when gathering and analyzing information related to  
49 potential domestic or foreign security threats, and  
50 when monitoring such threats.

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1     Sec. 14. DEPARTMENT OF PUBLIC SAFETY. There is  
2 appropriated from the general fund of the state to  
3 the department of public safety for the fiscal year  
4 beginning July 1, 2013, and ending June 30, 2014, the  
5 following amounts, or so much thereof as is necessary,  
6 to be used for the purposes designated:  
7     1. For the department's administrative functions,  
8 including the criminal justice information system, and  
9 for not more than the following full-time equivalent  
10 positions:  
11 ..... \$ 4,067,054  
12 ..... FTEs 41.00  
13     2. For the division of criminal investigation,  
14 including the state's contribution to the peace  
15 officers' retirement, accident, and disability system  
16 provided in chapter 97A in the amount of the state's  
17 normal contribution rate, as defined in section  
18 97A.8, multiplied by the salaries for which the  
19 moneys are appropriated, to meet federal fund matching  
20 requirements, and for not more than the following  
21 full-time equivalent positions:  
22 ..... \$ 12,933,414  
23 ..... FTEs 149.60  
24     3. For the criminalistics laboratory fund created  
25 in section 691.9:  
26 ..... \$ 302,345  
27     4. a. For the division of narcotics enforcement,  
28 including the state's contribution to the peace  
29 officers' retirement, accident, and disability system  
30 provided in chapter 97A in the amount of the state's  
31 normal contribution rate, as defined in section  
32 97A.8, multiplied by the salaries for which the  
33 moneys are appropriated, to meet federal fund matching  
34 requirements, and for not more than the following  
35 full-time equivalent positions:  
36 ..... \$ 6,755,855  
37 ..... FTEs 66.00  
38     b. For the division of narcotics enforcement for  
39 undercover purchases:  
40 ..... \$ 109,042  
41     5. For the division of state fire marshal, for fire  
42 protection services as provided through the state fire  
43 service and emergency response council as created in  
44 the department, and for the state's contribution to the  
45 peace officers' retirement, accident, and disability  
46 system provided in chapter 97A in the amount of the  
47 state's normal contribution rate, as defined in section  
48 97A.8, multiplied by the salaries for which the moneys  
49 are appropriated, and for not more than the following  
50 full-time equivalent positions:

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1 ..... \$ 4,470,556  
2 ..... FTEs 54.00  
3 6. For the division of state patrol, for salaries,  
4 support, maintenance, workers' compensation costs,  
5 and miscellaneous purposes, including the state's  
6 contribution to the peace officers' retirement,  
7 accident, and disability system provided in chapter 97A  
8 in the amount of the state's normal contribution rate,  
9 as defined in section 97A.8, multiplied by the salaries  
10 for which the moneys are appropriated, and for not more  
11 than the following full-time equivalent positions:  
12 ..... \$ 55,536,208  
13 ..... FTEs 499.00  
14 It is the intent of the general assembly that  
15 members of the state patrol be assigned to patrol  
16 the highways and roads in lieu of assignments for  
17 inspecting school buses for the school districts.  
18 7. For deposit in the sick leave benefits fund  
19 established under section 80.42 for all departmental  
20 employees eligible to receive benefits for accrued sick  
21 leave under the collective bargaining agreement:  
22 ..... \$ 279,517  
23 8. For costs associated with the training and  
24 equipment needs of volunteer fire fighters:  
25 ..... \$ 725,520  
26 a. Notwithstanding section 8.33, moneys  
27 appropriated in this subsection that remain  
28 unencumbered or unobligated at the close of the fiscal  
29 year shall not revert but shall remain available for  
30 expenditure only for the purpose designated in this  
31 subsection until the close of the succeeding fiscal  
32 year.  
33 b. Notwithstanding section 8.39, the department  
34 of public safety may reallocate moneys appropriated  
35 in this section as necessary to best fulfill the  
36 needs provided for in the appropriation. However, the  
37 department shall not reallocate moneys appropriated  
38 to the department in this section unless notice of  
39 the reallocation is given to the legislative services  
40 agency and the department of management prior to  
41 the effective date of the reallocation. The notice  
42 shall include information regarding the rationale for  
43 reallocating the moneys. The department shall not  
44 reallocate moneys appropriated in this section for the  
45 purpose of eliminating any program.  
46 Sec. 15. GAMING ENFORCEMENT.  
47 1. There is appropriated from the gaming  
48 enforcement revolving fund created in section 80.43 to  
49 the department of public safety for the fiscal year  
50 beginning July 1, 2013, and ending June 30, 2014, the

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1 following amount, or so much thereof as is necessary,  
2 to be used for the purposes designated:

3 For any direct support costs for agents and officers  
4 of the division of criminal investigation's excursion  
5 gambling boat, gambling structure, and racetrack  
6 enclosure enforcement activities, including salaries,  
7 support, maintenance, miscellaneous purposes, and  
8 for not more than the following full-time equivalent  
9 positions:

10 ..... \$ 10,898,008  
11 ..... FTEs 115.00

12 2. For each additional license to conduct gambling  
13 games on an excursion gambling boat, gambling  
14 structure, or racetrack enclosure issued during  
15 the fiscal year beginning July 1, 2013, there is  
16 appropriated from the gaming enforcement fund to  
17 the department of public safety for the fiscal year  
18 beginning July 1, 2013, and ending June 30, 2014, an  
19 additional amount of not more than \$300,000 to be used  
20 for not more than 3.00 additional full-time equivalent  
21 positions.

22 3. The department of public safety, with the  
23 approval of the department of management, may employ  
24 no more than three special agents for each additional  
25 riverboat or gambling structure regulated after July 1,  
26 2013, and three special agents for each racing facility  
27 which becomes operational during the fiscal year which  
28 begins July 1, 2013. Positions authorized in this  
29 subsection are in addition to the full-time equivalent  
30 positions otherwise authorized in this section.

31 Sec. 16. CIVIL RIGHTS COMMISSION. There is  
32 appropriated from the general fund of the state to the  
33 Iowa state civil rights commission for the fiscal year  
34 beginning July 1, 2013, and ending June 30, 2014, the  
35 following amount, or so much thereof as is necessary,  
36 to be used for the purposes designated:

37 For salaries, support, maintenance, miscellaneous  
38 purposes, and for not more than the following full-time  
39 equivalent positions:

40 ..... \$ 1,297,069  
41 ..... FTEs 28.00

42 The Iowa state civil rights commission may enter  
43 into a contract with a nonprofit organization to  
44 provide legal assistance to resolve civil rights  
45 complaints.

46 Sec. 17. CRIMINAL AND JUVENILE JUSTICE PLANNING  
47 DIVISION. There is appropriated from the general fund  
48 of the state to the criminal and juvenile justice  
49 planning division of the department of human rights for  
50 the fiscal year beginning July 1, 2013, and ending June

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1 30, 2014, the following amounts, or so much thereof as  
2 is necessary, to be used for the purposes designated:

3 For salaries, support, maintenance, and  
4 miscellaneous purposes, and for not more than the  
5 following full-time equivalent positions:  
6 ..... \$ 1,100,105  
7 ..... FTEs 9.81

8 The criminal and juvenile justice planning advisory  
9 council and the juvenile justice advisory council  
10 shall coordinate their efforts in carrying out their  
11 respective duties relative to juvenile justice.

12 Sec. 18. HOMELAND SECURITY AND EMERGENCY MANAGEMENT  
13 DIVISION OR SUCCESSOR AGENCY. There is appropriated  
14 from the E911 emergency communications fund created in  
15 section 34A.7A to the homeland security and emergency  
16 management division of the department of public defense  
17 or successor agency for the fiscal year beginning  
18 July 1, 2013, and ending June 30, 2014, an amount not  
19 exceeding \$250,000 to be used for implementation,  
20 support, and maintenance of the functions of the  
21 administrator and program manager under chapter 34A and  
22 to employ the auditor of the state to perform an annual  
23 audit of the wireless E911 emergency communications  
24 fund.

25 DIVISION II  
26 FY 2014-2015  
27 APPROPRIATIONS

28 Sec. 19. DEPARTMENT OF JUSTICE.

29 1. There is appropriated from the general fund  
30 of the state to the department of justice for the  
31 fiscal year beginning July 1, 2014, and ending June 30,  
32 2015, the following amounts, or so much thereof as is  
33 necessary, to be used for the purposes designated:

34 a. For the general office of attorney general for  
35 salaries, support, maintenance, and miscellaneous  
36 purposes, including the prosecuting attorneys training  
37 program, matching funds for federal violence against  
38 women grant programs, victim assistance grants, office  
39 of drug control policy prosecuting attorney program,  
40 and odometer fraud enforcement, and for not more than  
41 the following full-time equivalent positions:  
42 ..... \$ 6,138,162  
43 ..... FTEs 214.00

44 It is the intent of the general assembly that as  
45 a condition of receiving the appropriation provided  
46 in this lettered paragraph, the department of justice  
47 shall maintain a record of the estimated time incurred  
48 representing each agency or department.

49 b. For victim assistance grants:  
50 ..... \$ 2,444,940

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1 The funds appropriated in this lettered paragraph  
2 shall be used to provide grants to care providers  
3 providing services to crime victims of domestic abuse  
4 or to crime victims of rape and sexual assault.  
5 The balance of the victim compensation fund  
6 established in section 915.94 may be used to provide  
7 salary and support of not more than 24 FTEs and  
8 to provide maintenance for the victim compensation  
9 functions of the department of justice.  
10 The department of justice shall transfer at least  
11 \$150,000 from the victim compensation fund established  
12 in section 915.94 to the victim assistance grant  
13 program.  
14 c. For legal services for persons in poverty grants  
15 as provided in section 13.34:  
16 ..... \$ 1,791,304  
17 2. a. The department of justice, in submitting  
18 budget estimates for the fiscal year commencing July  
19 1, 2015, pursuant to section 8.23, shall include a  
20 report of funding from sources other than amounts  
21 appropriated directly from the general fund of the  
22 state to the department of justice or to the office of  
23 consumer advocate. These funding sources shall include  
24 but are not limited to reimbursements from other state  
25 agencies, commissions, boards, or similar entities, and  
26 reimbursements from special funds or internal accounts  
27 within the department of justice. The department of  
28 justice shall also report actual reimbursements for the  
29 fiscal year commencing July 1, 2013, and actual and  
30 expected reimbursements for the fiscal year commencing  
31 July 1, 2014.  
32 b. The department of justice shall include the  
33 report required under paragraph "a", as well as  
34 information regarding any revisions occurring as a  
35 result of reimbursements actually received or expected  
36 at a later date, in a report to the co-chairpersons  
37 and ranking members of the joint appropriations  
38 subcommittee on the justice system and the legislative  
39 services agency. The department of justice shall  
40 submit the report on or before January 15, 2015.  
41 Sec. 20. OFFICE OF CONSUMER ADVOCATE. There is  
42 appropriated from the department of commerce revolving  
43 fund created in section 546.12 to the office of  
44 consumer advocate of the department of justice for the  
45 fiscal year beginning July 1, 2014, and ending June 30,  
46 2015, the following amount, or so much thereof as is  
47 necessary, to be used for the purposes designated:  
48 For salaries, support, maintenance, miscellaneous  
49 purposes, and for not more than the following full-time  
50 equivalent positions:

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1 ..... \$ 2,665,739  
2 ..... FTEs 22.00  
3 Sec. 21. DEPARTMENT OF CORRECTIONS — FACILITIES.  
4 1. There is appropriated from the general fund of  
5 the state to the department of corrections for the  
6 fiscal year beginning July 1, 2014, and ending June  
7 30, 2015, the following amounts, or so much thereof as  
8 is necessary, to be used for the operation of adult  
9 correctional institutions, reimbursement of counties  
10 for certain confinement costs, and federal prison  
11 reimbursement, to be allocated as follows:  
12 a. For the operation of the Fort Madison  
13 correctional facility, including salaries, support,  
14 maintenance, and miscellaneous purposes:  
15 ..... \$ 36,641,063  
16 The department of corrections shall submit, to  
17 the co-chairpersons and ranking members of the joint  
18 appropriations subcommittee on the justice system by  
19 January 15, 2015, the plans for the integration of the  
20 John Bennett facility and the clinical care unit into  
21 the new Fort Madison maximum security correctional  
22 facility and the future plans for the use of the  
23 current Fort Madison maximum security correctional  
24 facility after the inmates are transferred to the new  
25 facility.  
26 b. For the operation of the Anamosa correctional  
27 facility, including salaries, support, maintenance, and  
28 miscellaneous purposes:  
29 ..... \$ 26,585,860  
30 c. For the operation of the Oakdale correctional  
31 facility, including salaries, support, maintenance, and  
32 miscellaneous purposes:  
33 ..... \$ 49,767,605  
34 d. For the operation of the Newton correctional  
35 facility, including salaries, support, maintenance, and  
36 miscellaneous purposes:  
37 ..... \$ 23,058,197  
38 e. For the operation of the Mt. Pleasant  
39 correctional facility, including salaries, support,  
40 maintenance, and miscellaneous purposes:  
41 ..... \$ 21,089,713  
42 f. For the operation of the Rockwell City  
43 correctional facility, including salaries, support,  
44 maintenance, and miscellaneous purposes:  
45 ..... \$ 8,220,476  
46 g. For the operation of the Clarinda correctional  
47 facility, including salaries, support, maintenance, and  
48 miscellaneous purposes:  
49 ..... \$ 21,455,374  
50 Moneys received by the department of corrections as

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1 reimbursement for services provided to the Clarinda  
2 youth corporation are appropriated to the department  
3 and shall be used for the purpose of operating the  
4 Clarinda correctional facility.  
5 h. For the operation of the Mitchellville  
6 correctional facility, including salaries, support,  
7 maintenance, and miscellaneous purposes:  
8 ..... \$ 18,363,430  
9 i. For the operation of the Fort Dodge correctional  
10 facility, including salaries, support, maintenance, and  
11 miscellaneous purposes:  
12 ..... \$ 25,385,447  
13 j. For reimbursement of counties for temporary  
14 confinement of work release and parole violators, as  
15 provided in sections 901.7, 904.908, and 906.17, and  
16 for offenders confined pursuant to section 904.513:  
17 ..... \$ 913,828  
18 k. For federal prison reimbursement, reimbursements  
19 for out-of-state placements, and miscellaneous  
20 contracts:  
21 ..... \$ 411,749  
22 2. The department of corrections shall use moneys  
23 appropriated in subsection 1 to continue to contract  
24 for the services of a Muslim imam and a Native American  
25 spiritual leader.  
26 Sec. 22. DEPARTMENT OF CORRECTIONS —  
27 ADMINISTRATION. There is appropriated from the general  
28 fund of the state to the department of corrections for  
29 the fiscal year beginning July 1, 2014, and ending June  
30 30, 2015, the following amounts, or so much thereof as  
31 is necessary, to be used for the purposes designated:  
32 1. For general administration, including salaries,  
33 support, maintenance, employment of an education  
34 director to administer a centralized education  
35 program for the correctional system, and miscellaneous  
36 purposes:  
37 ..... \$ 4,319,345  
38 a. It is the intent of the general assembly  
39 that each lease negotiated by the department of  
40 corrections with a private corporation for the purpose  
41 of providing private industry employment of inmates in  
42 a correctional institution shall prohibit the private  
43 corporation from utilizing inmate labor for partisan  
44 political purposes for any person seeking election to  
45 public office in this state and that a violation of  
46 this requirement shall result in a termination of the  
47 lease agreement.  
48 b. It is the intent of the general assembly that as  
49 a condition of receiving the appropriation provided in  
50 this subsection the department of corrections shall not

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1 enter into a lease or contractual agreement pursuant to  
2 section 904.809 with a private corporation for the use  
3 of building space for the purpose of providing inmate  
4 employment without providing that the terms of the  
5 lease or contract establish safeguards to restrict, to  
6 the greatest extent feasible, access by inmates working  
7 for the private corporation to personal identifying  
8 information of citizens.  
9 2. For educational programs for inmates at state  
10 penal institutions:  
11 ..... \$ 2,004,393  
12 a. To maximize the funding for educational  
13 programs, the department shall establish guidelines  
14 and procedures to prioritize the availability of  
15 educational and vocational training for inmates based  
16 upon the goal of facilitating an inmate's successful  
17 release from the correctional institution.  
18 b. The director of the department of corrections  
19 may transfer moneys from Iowa prison industries and the  
20 canteen operating funds established pursuant to section  
21 904.310, for use in educational programs for inmates.  
22 c. Notwithstanding section 8.33, moneys  
23 appropriated in this subsection that remain unobligated  
24 or unexpended at the close of the fiscal year shall not  
25 revert but shall remain available to be used only for  
26 the purposes designated in this subsection until the  
27 close of the succeeding fiscal year.  
28 3. For the development of the Iowa corrections  
29 offender network (ICON) data system:  
30 ..... \$ 1,700,000  
31 4. For offender mental health and substance abuse  
32 treatment:  
33 ..... \$ 18,971  
34 5. For viral hepatitis prevention and treatment:  
35 ..... \$ 142,699  
36 Sec. 23. JUDICIAL DISTRICT DEPARTMENTS OF  
37 CORRECTIONAL SERVICES.  
38 1. There is appropriated from the general fund of  
39 the state to the department of corrections for the  
40 fiscal year beginning July 1, 2014, and ending June  
41 30, 2015, for salaries, support, maintenance, and  
42 miscellaneous purposes, the following amounts, or  
43 so much thereof as is necessary, to be allocated as  
44 follows:  
45 a. For the first judicial district department of  
46 correctional services:  
47 ..... \$ 11,599,246  
48 b. For the second judicial district department of  
49 correctional services:  
50 ..... \$ 9,239,861

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1 c. For the third judicial district department of  
2 correctional services:  
3 ..... \$ 5,852,650  
4 d. For the fourth judicial district department of  
5 correctional services:  
6 ..... \$ 4,671,013  
7 e. For the fifth judicial district department of  
8 correctional services, including funding for electronic  
9 monitoring devices for use on a statewide basis:  
10 ..... \$ 16,469,114  
11 f. For the sixth judicial district department of  
12 correctional services:  
13 ..... \$ 11,981,097  
14 g. For the seventh judicial district department of  
15 correctional services:  
16 ..... \$ 6,258,987  
17 h. For the eighth judicial district department of  
18 correctional services:  
19 ..... \$ 6,688,919  
20 2. Each judicial district department of  
21 correctional services, within the funding available,  
22 shall continue programs and plans established within  
23 that district to provide for intensive supervision, sex  
24 offender treatment, diversion of low-risk offenders  
25 to the least restrictive sanction available, job  
26 development, and expanded use of intermediate criminal  
27 sanctions.  
28 3. Each judicial district department of  
29 correctional services shall provide alternatives to  
30 prison consistent with chapter 901B. The alternatives  
31 to prison shall ensure public safety while providing  
32 maximum rehabilitation to the offender. A judicial  
33 district department of correctional services may also  
34 establish a day program.  
35 4. The governor's office of drug control policy  
36 shall consider federal grants made to the department  
37 of corrections for the benefit of each of the eight  
38 judicial district departments of correctional services  
39 as local government grants, as defined pursuant to  
40 federal regulations.  
41 5. The department of corrections shall continue  
42 to contract with a judicial district department  
43 of correctional services to provide for the rental  
44 of electronic monitoring equipment which shall be  
45 available statewide.  
46 Sec. 24. DEPARTMENT OF CORRECTIONS — REALLOCATION  
47 OF APPROPRIATIONS. Notwithstanding section 8.39,  
48 within the moneys appropriated in this division of this  
49 Act to the department of corrections, the department  
50 may reallocate the moneys appropriated and allocated as

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1 necessary to best fulfill the needs of the correctional  
2 institutions, administration of the department, and the  
3 judicial district departments of correctional services.  
4 However, in addition to complying with the requirements  
5 of sections 904.116 and 905.8 and providing notice  
6 to the legislative services agency, the department  
7 of corrections shall also provide notice to the  
8 department of management, prior to the effective date  
9 of the revision or reallocation of an appropriation  
10 made pursuant to this section. The department of  
11 corrections shall not reallocate an appropriation or  
12 allocation for the purpose of eliminating any program.

13 Sec. 25. INTENT — REPORTS.

14 1. The department of corrections in cooperation  
15 with townships, the Iowa cemetery associations, and  
16 other nonprofit or governmental entities may use inmate  
17 labor during the fiscal year beginning July 1, 2014,  
18 to restore or preserve rural cemeteries and historical  
19 landmarks. The department in cooperation with the  
20 counties may also use inmate labor to clean up roads,  
21 major water sources, and other water sources around the  
22 state.

23 2. On a quarterly basis the department shall  
24 provide a status report regarding private-sector  
25 employment to the legislative services agency beginning  
26 on July 1, 2014. The report shall include the number  
27 of offenders employed in the private sector, the  
28 combined number of hours worked by the offenders, the  
29 total amount of allowances, and the distribution of  
30 allowances pursuant to section 904.702, including any  
31 moneys deposited in the general fund of the state.

32 Sec. 26. ELECTRONIC MONITORING REPORT. The  
33 department of corrections shall submit a report on  
34 electronic monitoring to the general assembly, to the  
35 co-chairpersons and the ranking members of the joint  
36 appropriations subcommittee on the justice system, and  
37 to the legislative services agency by January 15, 2015.  
38 The report shall specifically address the number of  
39 persons being electronically monitored and break down  
40 the number of persons being electronically monitored  
41 by offense committed. The report shall also include a  
42 comparison of any data from the prior fiscal year with  
43 the current year.

44 Sec. 27. STATE AGENCY PURCHASES FROM PRISON  
45 INDUSTRIES.

46 1. As used in this section, unless the context  
47 otherwise requires, "state agency" means the government  
48 of the state of Iowa, including but not limited to  
49 all executive branch departments, agencies, boards,  
50 bureaus, and commissions, the judicial branch,

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1 the general assembly and all legislative agencies,  
2 institutions within the purview of the state board of  
3 regents, and any corporation whose primary function is  
4 to act as an instrumentality of the state.  
5 2. State agencies are hereby encouraged to purchase  
6 products from Iowa state industries, as defined in  
7 section 904.802, when purchases are required and the  
8 products are available from Iowa state industries.  
9 State agencies shall obtain bids from Iowa state  
10 industries for purchases of office furniture during the  
11 fiscal year beginning July 1, 2014, exceeding \$5,000  
12 or in accordance with applicable administrative rules  
13 related to purchases for the agency.  
14 Sec. 28. IOWA LAW ENFORCEMENT ACADEMY.  
15 1. There is appropriated from the general fund of  
16 the state to the Iowa law enforcement academy for the  
17 fiscal year beginning July 1, 2014, and ending June 30,  
18 2015, the following amount, or so much thereof as is  
19 necessary, to be used for the purposes designated:  
20 For salaries, support, maintenance, miscellaneous  
21 purposes, including jailer training and technical  
22 assistance, and for not more than the following  
23 full-time equivalent positions:  
24 ..... \$ 851,443  
25 ..... FTEs 23.88  
26 It is the intent of the general assembly that the  
27 Iowa law enforcement academy may provide training of  
28 state and local law enforcement personnel concerning  
29 the recognition of and response to persons with  
30 Alzheimer's disease.  
31 The Iowa law enforcement academy may temporarily  
32 exceed and draw more than the amount appropriated in  
33 this subsection and incur a negative cash balance as  
34 long as there are receivables equal to or greater than  
35 the negative balance and the amount appropriated in  
36 this subsection is not exceeded at the close of the  
37 fiscal year.  
38 2. The Iowa law enforcement academy may select  
39 at least five automobiles of the department of public  
40 safety, division of state patrol, prior to turning over  
41 the automobiles to the department of administrative  
42 services to be disposed of by public auction, and  
43 the Iowa law enforcement academy may exchange any  
44 automobile owned by the academy for each automobile  
45 selected if the selected automobile is used in training  
46 law enforcement officers at the academy. However,  
47 any automobile exchanged by the academy shall be  
48 substituted for the selected vehicle of the department  
49 of public safety and sold by public auction with the  
50 receipts being deposited in the depreciation fund to

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1 the credit of the department of public safety, division  
2 of state patrol.  
3 Sec. 29. STATE PUBLIC DEFENDER. There is  
4 appropriated from the general fund of the state to the  
5 office of the state public defender of the department  
6 of inspections and appeals for the fiscal year  
7 beginning July 1, 2014, and ending June 30, 2015, the  
8 following amounts, or so much thereof as is necessary,  
9 to be allocated as follows for the purposes designated:  
10 1. For salaries, support, maintenance,  
11 miscellaneous purposes, and for not more than the  
12 following full-time equivalent positions:  
13 ..... \$ 21,982,855  
14 ..... FTEs 219.00  
15 2. For payments on behalf of eligible adults and  
16 juveniles from the indigent defense fund, in accordance  
17 with section 815.11:  
18 ..... \$ 25,416,640  
19 Sec. 30. BOARD OF PAROLE. There is appropriated  
20 from the general fund of the state to the board of  
21 parole for the fiscal year beginning July 1, 2014, and  
22 ending June 30, 2015, the following amount, or so much  
23 thereof as is necessary, to be used for the purposes  
24 designated:  
25 For salaries, support, maintenance, miscellaneous  
26 purposes, and for not more than the following full-time  
27 equivalent positions:  
28 ..... \$ 1,023,260  
29 ..... FTEs 11.00  
30 Sec. 31. DEPARTMENT OF PUBLIC DEFENSE. There is  
31 appropriated from the general fund of the state to  
32 the department of public defense for the fiscal year  
33 beginning July 1, 2014, and ending June 30, 2015, the  
34 following amounts, or so much thereof as is necessary,  
35 to be used for the purposes designated:  
36 1. MILITARY DIVISION  
37 For salaries, support, maintenance, miscellaneous  
38 purposes, and for not more than the following full-time  
39 equivalent positions:  
40 ..... \$ 5,547,986  
41 ..... FTEs 308.21  
42 The military division may temporarily exceed  
43 and draw more than the amount appropriated in this  
44 subsection and incur a negative cash balance as long  
45 as there are receivables of federal funds equal to  
46 or greater than the negative balance and the amount  
47 appropriated in this subsection is not exceeded at the  
48 close of the fiscal year.  
49 2. HOMELAND SECURITY AND EMERGENCY MANAGEMENT  
50 DIVISION OR SUCCESSOR AGENCY

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1 For salaries, support, maintenance, miscellaneous  
2 purposes, and for not more than the following full-time  
3 equivalent positions:  
4 ..... \$ 1,848,135  
5 ..... FTEs 37.40  
6 a. The homeland security and emergency management  
7 division or successor agency may temporarily exceed  
8 and draw more than the amount appropriated in this  
9 subsection and incur a negative cash balance as long  
10 as there are receivables of federal funds equal to  
11 or greater than the negative balance and the amount  
12 appropriated in this subsection is not exceeded at the  
13 close of the fiscal year.  
14 b. It is the intent of the general assembly that  
15 the homeland security and emergency management division  
16 or successor agency work in conjunction with the  
17 department of public safety, to the extent possible,  
18 when gathering and analyzing information related to  
19 potential domestic or foreign security threats, and  
20 when monitoring such threats.  
21 Sec. 32. DEPARTMENT OF PUBLIC SAFETY. There is  
22 appropriated from the general fund of the state to  
23 the department of public safety for the fiscal year  
24 beginning July 1, 2014, and ending June 30, 2015, the  
25 following amounts, or so much thereof as is necessary,  
26 to be used for the purposes designated:  
27 1. For the department's administrative functions,  
28 including the criminal justice information system, and  
29 for not more than the following full-time equivalent  
30 positions:  
31 ..... \$ 3,456,996  
32 ..... FTEs 41.00  
33 2. For the division of criminal investigation,  
34 including the state's contribution to the peace  
35 officers' retirement, accident, and disability system  
36 provided in chapter 97A in the amount of the state's  
37 normal contribution rate, as defined in section  
38 97A.8, multiplied by the salaries for which the  
39 moneys are appropriated, to meet federal fund matching  
40 requirements, and for not more than the following  
41 full-time equivalent positions:  
42 ..... \$ 10,993,402  
43 ..... FTEs 149.60  
44 3. For the criminalistics laboratory fund created  
45 in section 691.9:  
46 ..... \$ 256,993  
47 4. a. For the division of narcotics enforcement,  
48 including the state's contribution to the peace  
49 officers' retirement, accident, and disability system  
50 provided in chapter 97A in the amount of the state's

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1 normal contribution rate, as defined in section  
2 97A.8, multiplied by the salaries for which the  
3 moneys are appropriated, to meet federal fund matching  
4 requirements, and for not more than the following  
5 full-time equivalent positions:  
6 ..... \$ 5,742,477  
7 ..... FTEs 66.00  
8 b. For the division of narcotics enforcement for  
9 undercover purchases:  
10 ..... \$ 92,686  
11 5. For the division of state fire marshal, for fire  
12 protection services as provided through the state fire  
13 service and emergency response council as created in  
14 the department, and for the state's contribution to the  
15 peace officers' retirement, accident, and disability  
16 system provided in chapter 97A in the amount of the  
17 state's normal contribution rate, as defined in section  
18 97A.8, multiplied by the salaries for which the moneys  
19 are appropriated, and for not more than the following  
20 full-time equivalent positions:  
21 ..... \$ 3,799,973  
22 ..... FTEs 54.00  
23 6. For the division of state patrol, for salaries,  
24 support, maintenance, workers' compensation costs,  
25 and miscellaneous purposes, including the state's  
26 contribution to the peace officers' retirement,  
27 accident, and disability system provided in chapter 97A  
28 in the amount of the state's normal contribution rate,  
29 as defined in section 97A.8, multiplied by the salaries  
30 for which the moneys are appropriated, and for not more  
31 than the following full-time equivalent positions:  
32 ..... \$ 47,205,777  
33 ..... FTEs 499.00  
34 It is the intent of the general assembly that  
35 members of the state patrol be assigned to patrol  
36 the highways and roads in lieu of assignments for  
37 inspecting school buses for the school districts.  
38 7. For deposit in the sick leave benefits fund  
39 established under section 80.42 for all departmental  
40 employees eligible to receive benefits for accrued sick  
41 leave under the collective bargaining agreement:  
42 ..... \$ 237,589  
43 8. For costs associated with the training and  
44 equipment needs of volunteer fire fighters:  
45 ..... \$ 616,692  
46 a. Notwithstanding section 8.33, moneys  
47 appropriated in this subsection that remain  
48 unencumbered or unobligated at the close of the fiscal  
49 year shall not revert but shall remain available for  
50 expenditure only for the purpose designated in this

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1 subsection until the close of the succeeding fiscal  
2 year.

3     b. Notwithstanding section 8.39, the department  
4 of public safety may reallocate moneys appropriated  
5 in this section as necessary to best fulfill the  
6 needs provided for in the appropriation. However, the  
7 department shall not reallocate moneys appropriated  
8 to the department in this section unless notice of  
9 the reallocation is given to the legislative services  
10 agency and the department of management prior to  
11 the effective date of the reallocation. The notice  
12 shall include information regarding the rationale for  
13 reallocating the moneys. The department shall not  
14 reallocate moneys appropriated in this section for the  
15 purpose of eliminating any program.

16     Sec. 33. GAMING ENFORCEMENT.

17     1. There is appropriated from the gaming  
18 enforcement revolving fund created in section 80.43 to  
19 the department of public safety for the fiscal year  
20 beginning July 1, 2014, and ending June 30, 2015, the  
21 following amount, or so much thereof as is necessary,  
22 to be used for the purposes designated:

23     For any direct support costs for agents and officers  
24 of the division of criminal investigation's excursion  
25 gambling boat, gambling structure, and racetrack  
26 enclosure enforcement activities, including salaries,  
27 support, maintenance, miscellaneous purposes, and  
28 for not more than the following full-time equivalent  
29 positions:

30 ..... \$ 9,263,307  
31 ..... FTEs 115.00

32     2. For each additional license to conduct gambling  
33 games on an excursion gambling boat, gambling  
34 structure, or racetrack enclosure issued during  
35 the fiscal year beginning July 1, 2014, there is  
36 appropriated from the gaming enforcement fund to  
37 the department of public safety for the fiscal year  
38 beginning July 1, 2014, and ending June 30, 2015, an  
39 additional amount of not more than \$300,000 to be used  
40 for not more than 3.00 additional full-time equivalent  
41 positions.

42     3. The department of public safety, with the  
43 approval of the department of management, may employ  
44 no more than three special agents for each additional  
45 riverboat or gambling structure regulated after July 1,  
46 2014, and three special agents for each racing facility  
47 which becomes operational during the fiscal year which  
48 begins July 1, 2014. Positions authorized in this  
49 subsection are in addition to the full-time equivalent  
50 positions otherwise authorized in this section.

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1     Sec. 34. CIVIL RIGHTS COMMISSION. There is  
2 appropriated from the general fund of the state to the  
3 Iowa state civil rights commission for the fiscal year  
4 beginning July 1, 2014, and ending June 30, 2015, the  
5 following amount, or so much thereof as is necessary,  
6 to be used for the purposes designated:  
7     For salaries, support, maintenance, miscellaneous  
8 purposes, and for not more than the following full-time  
9 equivalent positions:  
10 ..... \$ 1,102,509  
11 ..... FTEs 28.00  
12     The Iowa state civil rights commission may enter  
13 into a contract with a nonprofit organization to  
14 provide legal assistance to resolve civil rights  
15 complaints.  
16     Sec. 35. CRIMINAL AND JUVENILE JUSTICE PLANNING  
17 DIVISION. There is appropriated from the general fund  
18 of the state to the criminal and juvenile justice  
19 planning division of the department of human rights for  
20 the fiscal year beginning July 1, 2013, and ending June  
21 30, 2014, the following amounts, or so much thereof as  
22 is necessary, to be used for the purposes designated:  
23     For salaries, support, maintenance, and  
24 miscellaneous purposes, and for not more than the  
25 following full-time equivalent positions:  
26 ..... \$ 935,089  
27 ..... FTEs 9.81  
28     The criminal and juvenile justice planning advisory  
29 council and the juvenile justice advisory council  
30 shall coordinate their efforts in carrying out their  
31 respective duties relative to juvenile justice.  
32     Sec. 36. HOMELAND SECURITY AND EMERGENCY MANAGEMENT  
33 DIVISION. There is appropriated from the wireless  
34 E911 emergency communications fund created in  
35 section 34A.7A to the homeland security and emergency  
36 management division or successor agency for the fiscal  
37 year beginning July 1, 2014, and ending June 30,  
38 2015, an amount not exceeding \$250,000 to be used  
39 for implementation, support, and maintenance of the  
40 functions of the administrator and program manager  
41 under chapter 34A and to employ the auditor of the  
42 state to perform an annual audit of the wireless E911  
43 emergency communications fund.  
44                     DIVISION III  
45             PUBLIC SAFETY INTEROPERABLE AND BROADBAND  
46             COMMUNICATIONS FUND  
47     Sec. 37. NEW SECTION. 80.44 Public safety  
48 interoperable and broadband communications fund.  
49     1. A statewide public safety interoperable and  
50 broadband communications fund is established in the

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1 office of the treasurer of state under the control of  
2 the department of public safety. Any moneys annually  
3 appropriated, granted, or credited to the fund,  
4 including any federal moneys, are appropriated to  
5 the department of public safety for the planning and  
6 development of a statewide public safety interoperable  
7 and broadband communications system.  
8 2. Notwithstanding section 12C.7, subsection 2,  
9 interest and earnings on moneys deposited in the fund  
10 shall be credited to the fund. Notwithstanding section  
11 8.33, moneys remaining in the fund at the end of the  
12 fiscal year shall not revert to any other fund but  
13 shall remain available to be used for the purposes  
14 specified in subsection 1.  
15 Sec. 38. 2011 Iowa Acts, chapter 134, section 43,  
16 subsection 9, as amended by 2012 Iowa Acts, chapter  
17 1134, section 10, is amended to read as follows:  
18 9. For costs associated with the training and  
19 operation of the statewide interoperable communications  
20 system board ~~excluding salaries and contracts or~~  
21 deposit in the statewide public safety interoperable  
22 and broadband communications fund established in  
23 section 80.44, as determined by the department:  
24 ..... \$ 48,000  
25 Sec. 39. EFFECTIVE UPON ENACTMENT. The following  
26 provision or provisions of this division of this Act,  
27 being deemed of immediate importance, take effect upon  
28 enactment:  
29 1. The section of this division amending 2011 Iowa  
30 Acts, chapter 134, section 43, subsection 9, as amended  
31 by 2012 Iowa Acts, chapter 1134, section 10.  
32 2. The section of this division enacting the  
33 section tentatively numbered 80.44.  
34 DIVISION IV  
35 PUBLIC SAFETY AND TRAINING TASK FORCE APPROPRIATION  
36 Sec. 40. PUBLIC SAFETY TRAINING AND FACILITIES TASK  
37 FORCE.  
38 1. A public safety training and facilities task  
39 force is established. The department of public safety  
40 shall provide administrative support for the task  
41 force.  
42 2. The task force shall consist of the following  
43 members:  
44 a. One member appointed by the Iowa state sheriffs'  
45 and deputies' association.  
46 b. One member appointed by the Iowa police chiefs  
47 association.  
48 c. One member who is a fire fighter appointed by  
49 the Iowa professional fire fighters association.  
50 d. One member who is the administrator of the Iowa

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1 fire service training bureau or the administrator's  
2 designee.  
3 e. One member who is a representative of the fire  
4 service who is not a fire chief appointed by the Iowa  
5 firefighters association.  
6 f. The director of the Iowa law enforcement academy  
7 or the director's designee.  
8 g. The commissioner of public safety or the  
9 training coordinator of the department of public  
10 safety, as designated by the commissioner.  
11 h. The state fire marshal or the state fire  
12 marshal's designee.  
13 i. One member appointed by the Iowa state police  
14 association.  
15 j. One member who is a fire chief appointed by the  
16 Iowa fire chiefs association.  
17 k. One member appointed by the Iowa emergency  
18 medical services association.  
19 l. One member appointed by the Iowa emergency  
20 management association.  
21 m. One member who is a fire chief appointed by the  
22 Iowa association of professional fire chiefs.  
23 n. One member who is a member of the office  
24 of motor vehicle enforcement of the department of  
25 transportation appointed by the director of the  
26 department of transportation.  
27 o. Four members of the general assembly serving  
28 as ex officio, nonvoting members, one representative  
29 to be appointed by the speaker of the house of  
30 representatives, one representative to be appointed by  
31 the minority leader of the house of representatives,  
32 one senator to be appointed by the majority leader of  
33 the senate, and one senator to be appointed by the  
34 minority leader of the senate.  
35 3. The members of the task force shall select  
36 one chairperson and one vice chairperson. The vice  
37 chairperson shall preside in the absence of the  
38 chairperson. Section 69.16A shall apply to the voting  
39 members of the task force.  
40 4. It is the intent of the general assembly in  
41 establishing this task force that the task force  
42 develop a coordinated plan amongst all public safety  
43 disciplines that would oversee the construction of a  
44 consolidated fire and police public safety training  
45 facility, provide for the establishment of a governance  
46 board for the public safety disciplines and the  
47 consolidated facility, and to establish a consistent  
48 and steady funding mechanism to defray public safety  
49 training costs on an ongoing basis.  
50 5. The task force shall seek and consider input

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1 from all interested stakeholders and members of the  
2 public and shall include an emphasis on receiving input  
3 from fire service, law enforcement, and emergency  
4 medical services personnel. The task force shall  
5 consider and develop strategies relating to public  
6 safety training facility governance with the goal of  
7 all public safety disciplines being represented. Each  
8 public safety discipline shall advise the task force by  
9 developing individual training policies as determined  
10 by the discipline's governing bodies. The task force  
11 shall also develop a proposal for a joint public safety  
12 training facility, a budget for construction and future  
13 operation of the facility, financing options, including  
14 possible public-private partnerships, for construction  
15 and operation of the facility, and potential locations  
16 for the facility that are centrally located in this  
17 state.

18 6. a. The task force shall provide interim reports  
19 to the general assembly by December 31 of each year  
20 concerning the activities of the task force and shall  
21 submit its final report, including its findings and  
22 recommendations, to the general assembly by December  
23 31, 2016.

24 b. The final report shall include but not be  
25 limited to recommendations concerning the following:  
26 (1) Consolidation of public safety governance  
27 within a single board and the membership of the board.  
28 Board duties would include overseeing the construction  
29 and maintenance of a consolidated fire and police  
30 public safety training facility.

31 (2) Development of a consolidated fire and police  
32 public safety training facility, including possible  
33 locations, building recommendations, and financing  
34 options.

35 (3) Any other recommendations relating to public  
36 safety training and facilities requirements.

37 DIVISION V

38 CIGARETTE FIRE SAFETY STANDARD FUND — APPROPRIATION

39 Sec. 41. Section 101B.5, subsection 5, Code 2013,  
40 is amended to read as follows:

41 5. For each cigarette listed in a certification, a  
42 manufacturer shall pay a fee of one hundred dollars to  
43 the department. The department shall deposit all fees  
44 received pursuant to this subsection with the treasurer  
45 of state for credit to the general fund of the state.

46 Sec. 42. Section 101B.8, Code 2013, is amended by  
47 adding the following new subsection:

48 NEW SUBSECTION. 10. The department shall deposit  
49 any moneys received from civil penalties assessed  
50 pursuant to this section with the treasurer of state

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1 for credit to the general fund of the state.

2 Sec. 43. Section 101B.9, Code 2013, is amended to  
3 read as follows:

4 **101B.9 Cigarette fire safety standard fund.**

5 A cigarette fire safety standard fund is created as  
6 a special fund in the state treasury under the control  
7 of the department of public safety. The fund shall  
8 consist of all moneys recovered from the assessment  
9 of civil penalties or certification fees under this  
10 chapter. ~~The moneys in the fund shall, in~~ In addition  
11 to any moneys made available for such purpose, ~~be~~  
12 ~~available, subject to appropriation, moneys in the fund~~  
13 are appropriated to the department of public safety for  
14 the purpose of fire safety and prevention programs,  
15 including for entry level fire fighter training,  
16 equipment, and operations.

17 Sec. 44. REPEAL. Section 101B.9, Code 2013, is  
18 repealed.

19 **Sec. 45. CIGARETTE FIRE SAFETY STANDARD FUND.**

20 Notwithstanding any provision of law to the contrary,  
21 the first \$50,000 of the unencumbered or unobligated  
22 balance of the cigarette fire safety standard fund at  
23 the close of the fiscal year beginning July 1, 2012,  
24 is appropriated to the department of public safety to  
25 be used for the administrative support of the public  
26 safety training and facilities task force established  
27 in this Act, during the fiscal period beginning July  
28 1, 2013, and ending June 30, 2017. Any remaining  
29 balance of the cigarette fire and safety standard fund  
30 at the close of the fiscal year beginning July 1,  
31 2012, is transferred to the department of corrections  
32 and is appropriated for use during the fiscal year  
33 beginning July 1, 2013, and ending June 30, 2014, for  
34 the renovation or replacement of the farm one bunkhouse  
35 at the Fort Madison correctional facility.

36 Sec. 46. EFFECTIVE UPON ENACTMENT. The following  
37 provision or provisions of this division of this Act,  
38 being deemed of immediate importance, take effect upon  
39 enactment:

40 1. The section of this division amending section  
41 101B.9.

42 2. The section of this division providing for  
43 retroactive applicability.

44 Sec. 47. RETROACTIVE APPLICABILITY. The following  
45 provision or provisions of this division of this Act  
46 apply retroactively to July 1, 2007:

47 1. The section of this division amending section  
48 101B.9.

49 DIVISION VI  
50 SPECIAL AGENTS — GAMING

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1     Sec. 48. Section 99D.14, subsection 2, paragraph a,  
2 Code 2013, is amended to read as follows:  
3     a. (1) A licensee shall pay a regulatory fee to be  
4 charged as provided in this section. In determining  
5 the regulatory fee to be charged as provided under  
6 this section, the commission shall use the amount  
7 appropriated to the commission plus the cost of  
8 salaries for no more than ~~two~~ three special agents for  
9 each racetrack that has not been issued a table games  
10 license under chapter 99F or no more than three special  
11 agents for each racetrack that has been issued a table  
12 games license under chapter 99F, plus any direct and  
13 indirect support costs for the agents, for the division  
14 of criminal investigation's racetrack activities, as  
15 the basis for determining the amount of revenue to be  
16 raised from the regulatory fee.  
17     (2) Indirect support costs under this section shall  
18 be calculated at the same rate used in accordance  
19 with the federal office of management and budget  
20 cost principles for state, local, and Indian tribal  
21 governments that receive a federally approved indirect  
22 cost rate.  
23     Sec. 49. Section 99D.14, subsection 2, Code 2013,  
24 is amended by adding the following new paragraphs:  
25     NEW PARAGRAPH. d. The aggregate amount of the  
26 regulatory fee assessed under paragraph "a" during each  
27 fiscal year shall be reduced by an amount equal to the  
28 unexpended moneys from the previous fiscal year that  
29 were deposited into the revolving funds established in  
30 sections 80.43 and 99F.20 during that previous fiscal  
31 year.  
32     NEW PARAGRAPH. e. By January 1, 2014, and by  
33 January 1 of every year thereafter, the division of  
34 criminal investigation shall provide the commission  
35 with a report detailing the activities of the division  
36 during the previous fiscal year for each racetrack  
37 enclosure.  
38     NEW PARAGRAPH. f. The division of criminal  
39 investigation shall conduct a study relating to the  
40 number of special agents permitted for each racetrack  
41 under this subsection and the activities of such  
42 agents. The study shall also include input from the  
43 commission and licensees and be combined with the  
44 report under section 99F.10, subsection 2, paragraph  
45 "e". The division of criminal investigation shall file  
46 a final report with the co-chairpersons and ranking  
47 members of the joint appropriations subcommittee on the  
48 justice system and the legislative services agency by  
49 July 1, 2020.  
50     Sec. 50. Section 99F.10, subsection 4, Code 2013,

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1 is amended to read as follows:

2 4. a. In determining the license fees and state  
3 regulatory fees to be charged as provided under section  
4 99F.4 and this section, the commission shall use as  
5 the basis for determining the amount of revenue to  
6 be raised from the license fees and regulatory fees  
7 the amount appropriated to the commission plus the  
8 following as applicable:

9 (1) Prior to July 1, 2016, the cost of salaries  
10 for no more than two special agents for each excursion  
11 gambling boat or gambling structure and no more than  
12 four gaming enforcement officers for each excursion  
13 gambling boat or gambling structure with a patron  
14 capacity of less than two thousand persons or no  
15 more than five gaming enforcement officers for each  
16 excursion gambling boat or gambling structure with  
17 a patron capacity of at least two thousand persons,  
18 plus any direct and indirect support costs for the  
19 agents and officers, for the division of criminal  
20 investigation's excursion gambling boat or gambling  
21 structure activities. However, the division of  
22 criminal investigation may add one additional special  
23 agent to the number of special agents specified in  
24 this subparagraph for each excursion gambling boat or  
25 gambling structure if at least two gaming enforcement  
26 officer full-time equivalent positions are vacant.  
27 Otherwise, the division of criminal investigation shall  
28 not fill vacant gaming enforcement officer positions.

29 (2) On or after July 1, 2016, the cost of salaries  
30 for no more than three special agents for each  
31 excursion gambling boat or gambling structure, plus  
32 any direct and indirect support costs for the agents,  
33 for the division of criminal investigation's excursion  
34 gambling boat or gambling structure activities.

35 b. Notwithstanding sections 8.60 and 99F.4, the  
36 portion of the fee paid pursuant to paragraph "a"  
37 relating to the costs of special agents and officers  
38 plus any direct and indirect support costs for the  
39 agents and officers, for the division of criminal  
40 investigation's excursion gambling boat or gambling  
41 structure activities, shall be deposited into the  
42 gaming enforcement revolving fund established in  
43 section 80.43. However, the department of public  
44 safety shall transfer, on an annual basis, the portion  
45 of the regulatory fee attributable to the indirect  
46 support costs of the special agents and gaming  
47 enforcement officers to the general fund of the state.

48 c. Notwithstanding sections 8.60 and 99F.4, the  
49 portion of the fee paid pursuant to paragraph "a"  
50 relating to the costs of the commission shall not be

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1 deposited in the general fund of the state but instead  
2 shall be deposited into the gaming regulatory revolving  
3 fund established in section 99F.20.  
4 d. Indirect support costs under paragraph "a" shall  
5 be calculated at the same rate used in accordance  
6 with the federal office of management and budget  
7 cost principles for state, local, and Indian tribal  
8 governments that receive a federally approved indirect  
9 cost rate.  
10 e. The aggregate amount of the regulatory fee  
11 assessed under paragraph "a" during each fiscal year  
12 shall be reduced by an amount equal to the unexpended  
13 moneys from the previous fiscal year that were  
14 deposited into the revolving funds established in  
15 sections 80.43 or 99F.20 during that previous fiscal  
16 year.  
17 f. By January 1, 2014, and by January 1 of every  
18 year thereafter, the division of criminal investigation  
19 shall provide the commission with a report detailing  
20 the activities of the division during the previous  
21 fiscal year for each excursion gambling boat and  
22 gambling structure.  
23 g. The division of criminal investigation shall  
24 conduct a study relating to the number of special  
25 agents permitted for each excursion gambling boat  
26 or gambling structure under this subsection and the  
27 activities of such agents. The study shall also  
28 include input from the commission and licensees and  
29 be combined with the report under section 99D.14,  
30 subsection 2, paragraph "d". The division of criminal  
31 investigation shall file a final report with the  
32 co-chairpersons and ranking members of the joint  
33 appropriations subcommittee on the justice system and  
34 the legislative services agency by July 1, 2020.  
35 Sec. 51. GAMING ENFORCEMENT STUDY. The division  
36 of criminal investigation of the department of public  
37 safety and the Iowa gaming association shall jointly  
38 or separately file a report with the co-chairpersons  
39 and ranking members of the joint appropriations  
40 subcommittee on the justice system and the legislative  
41 services agency by December 15, 2013, detailing the  
42 activities of gaming enforcement officers and special  
43 agents working at excursion gambling boats, gambling  
44 structures, and racetrack enclosures. The report shall  
45 include the number of incidences the gaming enforcement  
46 officers handle versus private security, the number of  
47 fraud investigations and background checks performed  
48 by the special agents, and the percentage of time  
49 gaming enforcement officers and special agents work on  
50 gaming-related and nongaming-related cases. The report

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1 shall also include the time periods each excursion  
2 gambling boat, gambling structure, and racetrack  
3 enclosure are not staffed by at least one gaming  
4 enforcement officer or special agent.

5 DIVISION VII

6 MISCELLANEOUS CODE CHANGES

7 Sec. 52. Section 85.67, Code 2013, is amended to  
8 read as follows:

9 **85.67 Administration of fund — special counsel —**  
10 **payment of award.**

11 The attorney general shall appoint a staff member to  
12 represent the treasurer of state and the fund in all  
13 proceedings and matters arising under this division.  
14 The attorney general shall be reimbursed up to ~~one~~  
15 ~~hundred fifty~~ two hundred fifteen thousand dollars  
16 annually from the fund for services provided related  
17 to the fund. The commissioner of insurance shall  
18 consider the reimbursement to the attorney general as  
19 an outstanding liability when making a determination of  
20 funding availability under section 85.65A, subsection  
21 2. In making an award under this division, the  
22 workers' compensation commissioner shall specifically  
23 find the amount the injured employee shall be paid  
24 weekly, the number of weeks of compensation which shall  
25 be paid by the employer, the date upon which payments  
26 out of the fund shall begin, and, if possible, the  
27 length of time the payments shall continue.

28 Sec. 53. Section 654.4B, subsection 2, paragraph b,  
29 Code 2013, is amended by striking the paragraph.

30 Sec. 54. 2009 Iowa Acts, chapter 178, section 20,  
31 as amended by 2011 Iowa Acts, chapter 134, section 21,  
32 is amended to read as follows:

33 SEC. 20. CONSUMER EDUCATION AND LITIGATION  
34 FUND. Notwithstanding section 714.16C, for each  
35 fiscal year of the period beginning July 1, 2008, and  
36 ending June 30, ~~2013~~ 2014, the annual appropriations  
37 in section 714.16C, are increased from \$1,125,000 to  
38 \$1,875,000, and \$75,000 to \$125,000 respectively.  
39 Moneys appropriated from the consumer education and  
40 litigation fund may be allocated for cash flow purposes  
41 to the victim compensation fund established in section  
42 915.94 during each of the fiscal years enumerated,  
43 provided that any moneys so allocated are returned to  
44 the consumer education and litigation fund by the end  
45 of each fiscal year an allocation occurs.

46 Sec. 55. IOWA CORRECTIONS OFFENDER NETWORK —  
47 FUND. Notwithstanding any provision of law to the  
48 contrary, the unencumbered or unobligated balance of  
49 the Iowa corrections offender network fund at the close  
50 of the fiscal year beginning July 1, 2012, or the close

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1 of any succeeding fiscal year that would otherwise be  
2 required by law to revert to, be deposited in, or to  
3 be credited to the Iowa offender network fund shall  
4 instead be credited to the general fund of the state.  
5 Sec. 56. REPEAL. Section 904.118, Code 2013, is  
6 repealed.>

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COMMITTEE ON APPROPRIATIONS  
SODERBERG of Plymouth, Chairperson



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House File 641

H-1330

1 Amend House File 641 as follows:

2 1. Page 5, after line 24 by inserting:

3 <c. For the purpose of calculating the amount of  
4 new state sales tax revenues under paragraph "b", a  
5 retail sales tax permit issued before the date the  
6 ordinance establishing the district was first adopted  
7 under section 15J.3, subsection 4, that is held by a  
8 retailer whose place of business for that permit is  
9 located in a vertical improvement within the district  
10 that was substantially improved on or after the date  
11 the ordinance establishing the district was first  
12 adopted shall be considered a retail sales tax permit  
13 issued on or after the date the ordinance establishing  
14 the district was first adopted.>

15 2. Page 6, after line 2 by inserting:

16 <c. For the purpose of calculating the amount of  
17 new state hotel and motel tax revenues under paragraph  
18 "b", a permit for the collection of the state hotel  
19 and motel tax issued before the date the ordinance  
20 establishing the district was first adopted under  
21 section 15J.3, subsection 4, that is held by a retailer  
22 or lessor whose place of business for that permit is  
23 located in a vertical improvement within the district  
24 that was substantially improved on or after the date  
25 the ordinance establishing the district was first  
26 adopted shall be considered a permit issued on or after  
27 the date the ordinance establishing the district was  
28 first adopted.>

29 3. By renumbering, redesignating, and correcting  
30 internal references as necessary.

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Senate File 406

H-1331

1 Amend Senate File 406, as passed by the Senate, as  
2 follows:  
3 1. Page 8, after line 22 by inserting:  
4 <Sec. \_\_\_\_\_. Section 229.22, subsection 2, paragraph  
5 a, Code 2013, is amended to read as follows:  
6 a. In the circumstances described in subsection  
7 1, any peace officer who has reasonable grounds to  
8 believe that a person is mentally ill, and because  
9 of that illness is likely to physically injure the  
10 person's self or others if not immediately detained,  
11 may without a warrant take or cause that person to be  
12 taken to the nearest available facility or hospital as  
13 defined in section 229.11, subsection 1, paragraphs  
14 "b" and "c". A person believed mentally ill, and  
15 likely to injure the person's self or others if not  
16 immediately detained, may be delivered to a facility  
17 or hospital by someone other than a peace officer.  
18 Upon delivery of the person believed mentally ill to  
19 the facility or hospital, the examining physician,  
20 examining physician assistant, or examining psychiatric  
21 advanced registered nurse practitioner may order  
22 treatment of that person, including chemotherapy, but  
23 only to the extent necessary to preserve the person's  
24 life or to appropriately control behavior by the  
25 person which is likely to result in physical injury  
26 to that person or others if allowed to continue. The  
27 peace officer who took the person into custody, or  
28 other party who brought the person to the facility  
29 or hospital, shall describe the circumstances of the  
30 matter to the examining physician, examining physician  
31 assistant, or examining psychiatric advanced registered  
32 nurse practitioner. If the person is a peace officer,  
33 the peace officer may do so either in person or by  
34 written report. If the examining physician, examining  
35 physician assistant, or examining psychiatric advanced  
36 registered nurse practitioner finds that there  
37 is reason to believe that the person is seriously  
38 mentally impaired, and because of that impairment  
39 is likely to physically injure the person's self or  
40 others if not immediately detained, the examining  
41 physician, examining physician assistant, or examining  
42 psychiatric advanced registered nurse practitioner  
43 shall at once communicate with the nearest available  
44 magistrate as defined in section 801.4, subsection 10.  
45 The magistrate shall, based upon the circumstances  
46 described by the examining physician, examining  
47 physician assistant, or examining psychiatric advanced  
48 registered nurse practitioner, give the examining  
49 physician, examining physician assistant, or examining  
50 psychiatric advanced registered nurse practitioner

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1 oral instructions either directing that the person  
2 be released forthwith or authorizing the person's  
3 detention in an appropriate facility. A peace officer  
4 from the law enforcement agency that took the person  
5 into custody, if available, during the communication  
6 with the magistrate, may inform the magistrate that  
7 an arrest warrant has been issued for or charges  
8 are pending against the person and request that any  
9 oral or written order issued under this subsection  
10 require the facility or hospital to notify the law  
11 enforcement agency about the discharge of the person  
12 prior to discharge. The magistrate may also give oral  
13 instructions and order that the detained person be  
14 transported to an appropriate facility.>  
15 2. By renumbering as necessary.

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HALL of Woodbury



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House File 527

S-3173

- 1 Amend the amendment, S-3126, to House File 527, as
- 2 passed by the House, as follows:
- 3 1. Page 1, line 12, by striking <offense> and
- 4 inserting <revocation>
- 5 2. Page 1, line 15, by striking <aggravated
- 6 misdemeanor> and inserting <offense in question>

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STEVEN J. SODDERS



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**Senate Study Bill 1252 - Introduced**

SENATE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE ON  
WAYS AND MEANS BILL BY  
CHAIRPERSON BOLKCOM)

**A BILL FOR**

1 An Act relating to the taxation of water utilities by  
2 establishing a water utilities replacement tax, imposing  
3 a statewide water utility property tax, providing for the  
4 administration of the replacement tax and statewide property  
5 tax, providing penalties, and including effective date and  
6 applicability provisions.  
7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1 Section 1. Section 257.3, subsection 1, paragraph c, Code  
2 2013, is amended to read as follows:

3 c. Replacement taxes under chapter 437A or chapter 437B  
4 shall be regarded as property taxes for purposes of this  
5 chapter.

6 Sec. 2. Section 331.604, subsection 4, Code 2013, is amended  
7 to read as follows:

8 4. A county shall not be required to pay a fee to the  
9 recorder for filing or recording instruments. However, a  
10 county treasurer is required to pay recording fees pursuant to  
11 ~~section~~ sections 437A.11 and 437B.7.

12 Sec. 3. Section 421.10, Code 2013, is amended to read as  
13 follows:

14 **421.10 Appeal period — applicability.**

15 The appeal period for revision of assessment of tax,  
16 interest, and penalties set out under section 422.28, 423.37,  
17 437A.9, 437A.22, 437B.5, 437B.18, 452A.64, 453A.29, or 453A.46  
18 applies to appeals to notices from the department denying  
19 changes in filing methods, denying refund claims, and denying  
20 portions of refund claims for the tax covered by that section,  
21 and notices of any department action directed to a specific  
22 taxpayer, other than licensing, which involves a calculation.

23 Sec. 4. Section 427A.1, subsection 1, paragraph h, Code  
24 2013, is amended to read as follows:

25 h. Property assessed by the department of revenue pursuant  
26 to sections 428.24 to 428.29, or chapters 433, 434, 437, 437A,  
27 437B, and 438.

28 Sec. 5. Section 427B.17, subsection 5, unnumbered paragraph  
29 1, Code 2013, is amended to read as follows:

30 This section shall not apply to property assessed by the  
31 department of revenue pursuant to sections 428.24 to 428.29, or  
32 chapters 433, 434, 437, 437A, 437B, and 438, and such property  
33 shall not receive the benefits of this section.

34 Sec. 6. Section 428.24, Code 2013, is amended to read as  
35 follows:

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1     **428.24 Public utility plants.**

2     The lands, buildings, machinery, and mains belonging to  
3 individuals or corporations operating waterworks, other than  
4 waterworks taxed under chapter 437B, or gasworks or pipelines,  
5 except those natural gas pipelines permitted pursuant to  
6 chapter 479, shall be listed and assessed by the department of  
7 revenue. In the making of assessments of waterworks plants,  
8 the value of any interest in the property assessed, of the  
9 municipal corporation where it is situated, shall be deducted,  
10 whether the interest is evidenced by stock, bonds, contracts,  
11 or otherwise.

12    Sec. 7. Section 428.26, Code 2013, is amended to read as  
13 follows:

14     **428.26 Personal property.**

15     1. All the personal property of such individuals and  
16 corporations used or purchased by them for the purposes of such  
17 gas or waterworks, other than natural gas pipelines permitted  
18 pursuant to chapter 479 and other than waterworks taxed under  
19 chapter 437B, shall be listed and assessed by the department  
20 of revenue.

21     2. In the making of any such assessment of waterworks  
22 plants, the value of any interest in the property so assessed,  
23 of the municipal corporation in which the waterworks is  
24 situated, shall be deducted, whether such interest be evidenced  
25 by stock, bonds, contracts, or otherwise.

26    Sec. 8. Section 428.28, Code 2013, is amended to read as  
27 follows:

28     **428.28 Annual report by utility.**

29     1. Every individual, partnership, corporation, or  
30 association operating for profit, waterworks, other than  
31 waterworks taxed under chapter 437B, or gasworks or pipelines  
32 other than natural gas pipelines permitted pursuant to  
33 chapter 479, annually on or before May 1 of each calendar  
34 year, shall make a report on blanks to be provided by the  
35 department of revenue of all of the property owned by such



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1 individual, partnership, corporation, or association within the  
2 incorporated limits of any city in the state, and give such  
3 other information as the director of revenue shall require.

4     2. Every individual, partnership, corporation, or  
5 association which operates a public utility on a nonprofit  
6 basis other than a utility subject to tax under chapter 437A  
7 or chapter 437B, as defined in section 428.24 shall annually,  
8 on or before May 1 of each calendar year, make a report on  
9 blanks to be provided by the department of revenue of all of  
10 the property owned by the individual, partnership, corporation,  
11 or association within the incorporated limits of any city in  
12 the state, and give other information the director of revenue  
13 requires.

14     Sec. 9. Section 437A.15, subsection 7, paragraph b, Code  
15 2013, is amended to read as follows:

16     b. The task force shall study the effects of the replacement  
17 ~~tax~~ taxes under this chapter and chapter 437B on local taxing  
18 authorities, local taxing districts, consumers, and taxpayers  
19 through January 1, ~~2013~~ 2016. If the task force recommends  
20 modifications to the replacement tax that will further the  
21 purposes of tax neutrality for local taxing authorities, local  
22 taxing districts, taxpayers, and consumers, consistent with the  
23 stated purposes of this chapter, the department of management  
24 shall transmit those recommendations to the general assembly.

25     Sec. 10. NEW SECTION. **437B.1 Purposes.**

26     The purposes of this chapter are to replace property taxes  
27 imposed on water utilities with a system of taxation which  
28 will remove fluctuations in property taxes by imposing a  
29 system of taxation based on the delivery of water, to preserve  
30 revenue neutrality and debt capacity for local governments  
31 and taxpayers, to preserve neutrality in the allocation and  
32 cost impact of any replacement tax among and upon consumers  
33 of water utilities in this state, and to provide a system of  
34 taxation which reduces existing administrative burdens on state  
35 government.



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1     Sec. 11. NEW SECTION.   **437B.2 Definitions.**

2     As used in this chapter, unless the context otherwise  
3 requires:

4     1. "*Centrally assessed property tax*" means property tax  
5 imposed with respect to the value of property determined by the  
6 director pursuant to sections 428.24 to 428.29, Code 2013, and  
7 allocated to water service.

8     2. "*Consumer*" means an end user of water used or consumed  
9 within the service area of a water utility. "*Consumer*" includes  
10 any master-metered facility even though the water delivered  
11 to such facility may ultimately be used by another person. A  
12 person to whom water is delivered by a master-metered facility  
13 is not a consumer. A "*master-metered facility*" means any  
14 multi-occupancy premises where units are separately rented or  
15 owned and where individual metering is impractical, where the  
16 facility is designated for elderly or handicapped persons and  
17 utility costs constitute part of the operating cost and are not  
18 apportioned to individual units, or where submetering or resale  
19 of service was permitted prior to 1966.

20     3. "*Delivery*" means the physical transfer of water to a  
21 consumer for sale. Physical transfer to a consumer occurs when  
22 transportation of water ends and such water becomes available  
23 for use or consumption by a consumer.

24     4. "*Director*" means the director of revenue.

25     5. "*Lease*" means a contract between a lessor and lessee  
26 pursuant to which the lessee obtains a present possessory  
27 interest in tangible property without obtaining legal title in  
28 such property. A contract to deliver water using operating  
29 property within this state is not a lease. "*Capital lease*"  
30 means a lease classified as a capital lease under generally  
31 accepted accounting principles.

32     6. "*Local taxing authority*" means a city, county, community  
33 college, school district, or other taxing authority located in  
34 this state and authorized to certify a levy on property located  
35 within such authority for the payment of bonds and interest or

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1 other obligations of such authority.

2 7. *"Local taxing district"* means a geographic area with a  
3 common consolidated property tax rate.

4 8. a. *"Major addition"* means any acquisition on or after  
5 January 1, 2013, by a taxpayer, by transfer of ownership,  
6 self-construction, or capital lease of any interest in any of  
7 the following:

8 (1) A building in this state where the acquisition cost of  
9 all interests acquired exceeds ten million dollars.

10 (2) A water treatment plant where the acquisition cost  
11 of all interests acquired exceeds ten million dollars. For  
12 purposes of this paragraph, *"water treatment plant"* means  
13 buildings and equipment used in that portion of the water  
14 supply system which in some way alters the physical, chemical,  
15 or bacteriological quality of the water.

16 (3) Water utility operating property within a local taxing  
17 district where the acquisition cost of all interests acquired  
18 exceeds one million dollars.

19 (4) Any water utility property in this state acquired by a  
20 person not previously subject to taxation under this chapter  
21 pursuant to section 437B.12.

22 b. For purposes of this chapter, the acquisition cost of  
23 an asset acquired by capital lease is its capitalized value  
24 determined under generally accepted accounting principles.

25 9. *"Nonrevenue water"* means the difference between the total  
26 number of gallons of water carried through the water utility's  
27 distribution system and the number of gallons of water  
28 delivered to consumers using the water utility's distribution  
29 system.

30 10. *"Operating property"* means all property owned by or  
31 leased to a water utility, not otherwise taxed separately,  
32 which is necessary to and without which the company could not  
33 perform the activities of a water utility.

34 11. *"Replacement tax"* means the excise tax imposed on the  
35 delivery of water under section 437B.3.



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1 12. "*Service area*" means the geographical area within this  
2 state to which the water utility delivers water and related  
3 services. A water utility's service area shall be that  
4 area described in the water utility's tariff filed with the  
5 utilities board.

6 13. "*Taxpayer*" means a water utility or other person subject  
7 to the replacement tax imposed under section 437B.3.

8 14. "*Tax year*" means a calendar year beginning January 1 and  
9 ending December 31.

10 15. "*Utilities board*" means the utilities board created in  
11 section 474.1.

12 16. "*Water utility*" means a person engaged primarily in the  
13 production, delivery, service, or sale of water in a service  
14 area, whether formed or organized under the laws of this state  
15 or elsewhere, and subject to the rate and service regulation of  
16 the utilities board pursuant to chapter 476. "*Water utility*"  
17 does not include a cooperative, municipal utility, or other  
18 entity engaged primarily in such activities that is not under  
19 the jurisdiction of the utilities board.

20 Sec. 12. NEW SECTION. 437B.3 Replacement tax imposed on  
21 delivery of water.

22 1. A replacement delivery tax is imposed on each water  
23 utility that delivers water to a consumer within the water  
24 utility's service area. The replacement delivery tax imposed  
25 by this section is equal to the number of gallons of water  
26 delivered to consumers in the water utility's service area by  
27 the taxpayer during the tax year multiplied by the replacement  
28 delivery tax rate in effect for the service area.

29 2. The replacement delivery tax rate for each service area  
30 shall be calculated by the director as follows:

31 a. The director shall determine the average annual centrally  
32 assessed property tax liability allocated to water delivery  
33 for those water utilities operating within the service area  
34 for the assessment years 2008 through 2012 based on property  
35 tax amounts due and payable as the result of those assessment



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1 years.

2     **b.** The director shall determine the number of gallons of  
3 water delivered to consumers in the service area which would  
4 have been subject to taxation under this section in calendar  
5 year 2013, had such sections been in effect for calendar year  
6 2013.

7     **c.** The director shall determine a replacement delivery tax  
8 rate for each service area by dividing average annual centrally  
9 assessed property tax liability, as determined in paragraph  
10 "a", by the number of gallons of water delivered, as specified  
11 in paragraph "b".

12     3. **a.** If for any tax year after calendar year 2013, the  
13 total number of gallons of water required to be reported by  
14 a water utility pursuant to section 437B.4, subsection 1,  
15 paragraph "a", increases or decreases by more than the threshold  
16 percentage from the base year amount for that water utility  
17 during the immediately preceding five calendar years, the  
18 replacement tax rate imposed under subsection 1 for that tax  
19 year shall be recalculated by the director for that water  
20 utility so that the total of the tentative replacement delivery  
21 taxes required to be reported pursuant to section 437B.4,  
22 subsection 1, paragraph "b", for that water utility with respect  
23 to the tax imposed under subsection 1, shall be as follows:

24     (1) If the number of gallons of water required to be  
25 reported increased by more than the threshold percentage, one  
26 hundred two percent of such taxes required to be reported by  
27 the water utility for that water utility for the immediately  
28 preceding tax year.

29     (2) If the number of gallons of water required to be  
30 reported decreased by more than the threshold percentage,  
31 ninety-eight percent of such taxes required to be reported by  
32 the water utility for that water utility for the immediately  
33 preceding tax year.

34     **b.** For purposes of paragraph "a", subparagraphs (1) and  
35 (2), in computing the tax rate under subsection 1, for tax



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1 year 2014, the director shall use the average annual centrally  
2 assessed property tax liability allocated to water sales  
3 computed pursuant to subsection 2, paragraph "a", in lieu of the  
4 taxes required to be reported for that water utility for the  
5 immediately preceding tax year.

6 c. For purposes of this section, "base year amount" means  
7 for calendar years prior to tax year 2014, the sum of the  
8 gallons of water delivered to consumers by the water utility  
9 which would have been subject to taxation under this section  
10 had this section been in effect for those years; and for  
11 tax years after calendar year 2013, the number of gallons of  
12 water required to be reported by the water utility pursuant to  
13 section 437B.4, subsection 1, paragraph "a".

14 d. The threshold percentage shall be five percent.

15 4. The replacement delivery tax rate in effect for each  
16 service area shall be published by the director in the Iowa  
17 administrative bulletin on or before November 30, 2014, and  
18 annually after that date, during the last quarter of the tax  
19 year.

20 5. If recalculation of the replacement delivery tax rate  
21 is required pursuant to subsection 3, the new rate shall be  
22 published in the Iowa administrative bulletin by the director  
23 by no later than May 31 following the end of the tax year. The  
24 director shall adjust the tentative replacement tax imposed by  
25 subsection 1 and required to be shown on any affected water  
26 utility's return pursuant to section 437B.4, subsection 1,  
27 paragraph "b", to reflect the adjusted replacement delivery  
28 tax rate for the tax year, and report such adjustment to the  
29 affected water utility on or before June 30 following the end  
30 of the tax year. The new replacement delivery tax rate shall  
31 apply prospectively, until such time as further adjustment is  
32 required.

33 6. For a service area established as the result of the  
34 formation or organization of a new water utility on or after  
35 January 1, 2014, the director shall to the extent possible





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1 determine a replacement delivery tax rate for the new  
2 service area using the procedures of this section and for the  
3 information for the year that the water utility was first under  
4 the jurisdiction of the utilities board.

5 Sec. 13. NEW SECTION. **437B.4 Return and payment**  
6 **requirements.**

7 1. Each taxpayer, on or before March 31 following a tax  
8 year, shall file with the director a return including but not  
9 limited to the following information:

10 a. The total taxable gallons of water delivered by the water  
11 utility to consumers within the service area during the tax  
12 year.

13 b. The tentative replacement taxes imposed by section 437B.3  
14 due for the tax year.

15 2. A return shall be signed by an officer, or other person  
16 duly authorized by the water utility, and must be certified as  
17 correct and in accordance with forms and rules prescribed by  
18 the director.

19 3. At the time of filing the return required by subsection  
20 1 with the director, the taxpayer shall calculate the tentative  
21 replacement tax due for the tax year. The director shall  
22 compute any adjustments to the replacement tax required by  
23 subsection 5 and by section 437B.3, subsection 3, and notify  
24 the taxpayer of any such adjustments in accordance with the  
25 requirements of section 437B.3, subsection 5. The director and  
26 the department of management shall compute the allocation of  
27 replacement taxes among local taxing districts and report such  
28 allocations to county treasurers pursuant to section 437B.11.  
29 Based on such allocations, the treasurer of each county shall  
30 notify each taxpayer on or before August 31 following a tax  
31 year of its replacement tax obligation to the county treasurer.  
32 On or before September 30, 2015, and on or before September  
33 30 of each subsequent year, the taxpayer shall remit to the  
34 county treasurer of each county to which such replacement tax  
35 is allocated pursuant to section 437B.11, one-half of the



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1 replacement tax so allocated, and on or before the succeeding  
2 March 31, the taxpayer shall remit to the county treasurers the  
3 remaining replacement tax so allocated. If notification of a  
4 taxpayer's replacement tax obligation is not mailed by a county  
5 treasurer on or before August 31 following a tax year, such  
6 taxpayer shall have thirty days from the date the notification  
7 is mailed to remit one-half of the replacement tax otherwise  
8 required by this subsection to be remitted to such county  
9 treasurer on or before September 30. If a taxpayer fails to  
10 timely remit replacement taxes as provided in this subsection,  
11 the county treasurer of each affected county shall notify the  
12 director of such failure.

13 4. Notwithstanding subsections 1 through 3, a taxpayer  
14 shall not be required to file a return otherwise required by  
15 this section or remit any replacement tax for any tax year in  
16 which the taxpayer's replacement tax liability before credits  
17 is three hundred dollars or less, provided that all water  
18 utilities shall file a return, regardless of the taxpayer's  
19 replacement tax liability.

20 5. Following the determination of replacement delivery tax  
21 rates by the director pursuant to section 437B.3, subsection  
22 2, if an adjustment resulting from a taxpayer appeal is made  
23 to taxes levied and paid by a taxpayer with respect to any of  
24 the assessment years 2008 through 2012 used in determining  
25 such rates, the director shall recalculate the replacement  
26 delivery tax rate for any affected water utility to reflect  
27 the impact of such adjustment as if such adjustment had been  
28 reflected in the initial determination of average annual  
29 centrally assessed property tax liability allocated to water  
30 service pursuant to section 437B.3, subsection 2, paragraph  
31 "a". Rate recalculations shall be made and published in the  
32 Iowa administrative bulletin by the director on or before March  
33 31 following the calendar year in which a final determination  
34 of the adjustment is made. Taxpayers shall report to the  
35 director any increase or decrease in the tentative replacement

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1 tax required to be shown to be due pursuant to subsection  
2 1, paragraph "b", for any tax year with the return for the  
3 year in which the recalculated tax rates which gave rise  
4 to the adjustment are published in the Iowa administrative  
5 bulletin. The director and the department of management shall  
6 redetermine the allocation of replacement taxes pursuant to  
7 section 437B.11 for each affected tax year. If a taxpayer has  
8 overpaid replacement taxes, the overpayment shall be reported  
9 by the director to such taxpayer and to the appropriate county  
10 treasurers and shall be a credit against the replacement taxes  
11 owed by such taxpayer for the year in which the recalculated  
12 rates which gave rise to the overpayment are published in the  
13 Iowa administrative bulletin. If a taxpayer has overpaid  
14 centrally assessed property taxes for assessment years prior  
15 to tax year 2014, such overpayment shall be a credit against  
16 replacement taxes owed by such taxpayer for the year in which  
17 the overpayment is determined. Unused credits may be carried  
18 forward and used to reduce future replacement tax liabilities  
19 until exhausted.

20 Sec. 14. NEW SECTION. 437B.5 Failure to file return —  
21 incorrect return.

22 1. As soon as practicable after a return required by section  
23 437B.4, subsection 1, is filed, and in any event within three  
24 years after such return is filed, the director shall examine  
25 the return, determine the tax due if the return is found to be  
26 incorrect, and give notice to the taxpayer of the determination  
27 as provided in subsection 2. The period for the examination  
28 and determination of the correct amount of tax is unlimited in  
29 the case of a false or fraudulent return made with the intent  
30 to evade any tax or in the case of a failure to file a return.

31 2. If a return required by section 437B.4, subsection  
32 1, is not filed, or if such return when filed is incorrect  
33 or insufficient and the taxpayer fails to file a corrected  
34 or sufficient return within twenty days after such return  
35 is required by notice from the director, the director shall

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1 determine the amount of tax due from information as the  
2 director may be able to obtain and, if necessary, may estimate  
3 the tax due on the basis of external indices. The director  
4 shall give notice of the determination to the taxpayer liable  
5 for the tax and to the county treasurers to whom the tax  
6 is owed. The determination shall fix the tax unless the  
7 taxpayer against whom it is levied, within sixty days after  
8 notice of the determination, applies to the director for a  
9 hearing. At the hearing evidence may be offered to support  
10 the determination or to prove that it is incorrect. After the  
11 hearing the director shall give notice of the decision to the  
12 person liable for the tax and to the county treasurers to whom  
13 the tax is owed.

14 3. The three-year period of limitation provided in  
15 subsection 1 may be extended by the taxpayer by signing  
16 a waiver agreement form provided by the department. The  
17 agreement shall stipulate the period of extension and the  
18 tax period to which the extension applies. The agreement  
19 shall also provide that a claim for refund may be filed by the  
20 taxpayer at any time during the period of extension.

21 Sec. 15. NEW SECTION. **437B.6 Judicial review.**

22 1. Judicial review of the actions of the director may  
23 be sought pursuant to chapter 17A, the Iowa administrative  
24 procedure Act.

25 2. For cause and upon a showing by the director that  
26 collection of the tax in dispute is in doubt, the court may  
27 order the petitioner to file with the clerk of the district  
28 court a bond for the use of the appropriate local taxing  
29 authorities, with sureties approved by the clerk of the  
30 district court, in the amount of the tax appealed from,  
31 conditioned upon the performance by the petitioner of any  
32 orders of the court.

33 3. An appeal may be taken by the taxpayer or the director to  
34 the supreme court irrespective of the amount involved.

35 4. A person aggrieved by a decision of the chief financial

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1 officer of a city under this chapter may seek review by writ  
2 of certiorari within thirty days of the decision sought to be  
3 reviewed.

4 Sec. 16. NEW SECTION. 437B.7 Lien — actions authorized.

5 1. Whenever a taxpayer who is liable to pay a replacement  
6 tax imposed by this chapter refuses or neglects to pay such  
7 tax, the amount, including any interest, penalty, or addition  
8 to such tax, together with the costs that may accrue, shall be  
9 a lien in favor of the chief financial officer of the city or  
10 the county treasurer to which the tax is owed upon all property  
11 and rights to property, whether real or personal, belonging to  
12 the taxpayer. The lien shall be prior to and superior over all  
13 subsequent liens upon any personal property within this state,  
14 or right to such personal property, belonging to the taxpayer,  
15 without the necessity of recording the lien. The requirement  
16 for recording, as applied to the replacement tax imposed by  
17 this chapter, shall apply only to a lien upon real property.  
18 The lien may be preserved against subsequent mortgagees,  
19 purchasers, or judgment creditors, for value and without notice  
20 of the lien, on any real property situated in a county, by the  
21 county treasurer to which replacement tax is owed by filing  
22 with the recorder of the county in which the real property is  
23 located a notice of the lien. For purposes of the replacement  
24 tax collected by a city, the lien may be preserved against  
25 subsequent mortgagees, purchasers, or judgment creditors, for  
26 value and without notice of the lien, on any real property  
27 situated in the county, by the chief financial officer of  
28 the city to which replacement tax is owed by filing with the  
29 recorder of the county in which the real property is located a  
30 notice of the lien.

31 2. The county recorder of each county shall index each lien  
32 showing the applicable entries specified in sections 558.49  
33 and 558.52 and showing, under the names of taxpayers arranged  
34 alphabetically, all of the following:

35 a. The name of the taxpayer.

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1     *b.* The name of the county treasurer and county or the name  
2 of the chief financial officer and city as claimant.  
3     *c.* Time the notice of lien was filed for recording.  
4     *d.* Date of notice.  
5     *e.* Amount of lien then due.  
6     *f.* Date of assessment.  
7     *g.* Date when the lien is satisfied.  
8     3. The recorder shall endorse on each notice of lien the  
9 day, hour, and minute when filed for recording and the document  
10 reference number, shall preserve such notice, shall index the  
11 notice in the index, and shall promptly record the lien in the  
12 manner provided for recording real estate mortgages. The lien  
13 is effective from the time of the indexing of the lien.  
14     4. The county treasurer or chief financial officer of the  
15 city shall pay recording fees as provided in section 331.604,  
16 for the recording of the lien, or for its satisfaction.  
17     5. Upon the payment of the replacement tax as to which  
18 a county treasurer has filed notice with a county recorder,  
19 the county treasurer shall promptly file with the recorder a  
20 satisfaction of the replacement tax. The recorder shall record  
21 the notice of satisfaction showing the applicable entries  
22 specified in sections 558.49 and 558.52.  
23     6. Section 445.3 applies with respect to the replacement  
24 taxes and special utility property tax levies and penalties and  
25 interest imposed by this chapter, except for the provisions  
26 limiting the commencement of actions. In addition, at the  
27 county treasurer's discretion, chapters 446, 447, and 448 apply  
28 in the enforcement of the special utility property tax levies,  
29 but any tax deed issued shall not extinguish a tax lien or  
30 judgment lien for replacement taxes that has attached to the  
31 property.  
32     Sec. 17. NEW SECTION. **437B.8 Service of notice.**  
33     1. A notice authorized or required under this chapter may  
34 be given by mailing the notice to the taxpayer, addressed to  
35 the taxpayer at the address given in the last return filed by



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1 the taxpayer pursuant to this chapter, or if no return has  
2 been filed, then to the most recent address of the taxpayer  
3 obtainable. The mailing of the notice is presumptive evidence  
4 of the receipt of the notice by the taxpayer to whom the notice  
5 is addressed. A period of time within which some action must  
6 be taken for which notice is provided under this section  
7 commences to run from the date of mailing of the notice.

8 2. There is no limitation for the enforcement of a civil  
9 remedy pursuant to any proceeding or action taken to levy,  
10 appraise, assess, determine, or enforce the collection of any  
11 tax or penalty due under this chapter.

12 Sec. 18. NEW SECTION. **437B.9 Penalties — offenses —**  
13 **limitation.**

14 1. A taxpayer is subject to the penalty provisions in  
15 section 421.27 with respect to any replacement tax due under  
16 this chapter. A taxpayer shall also pay interest on the  
17 delinquent replacement tax at the rate in effect under section  
18 421.7 for each month computed from the date the payment was  
19 due, counting each fraction of a month as an entire month. The  
20 penalty and interest shall be paid to the county treasurer, or  
21 in the case of penalty and interest associated with a municipal  
22 transfer replacement tax to the city financial officer, and  
23 shall be disposed of in the same manner as other receipts under  
24 this chapter. Unpaid penalties and interest may be enforced in  
25 the same manner as provided for unpaid replacement tax under  
26 this chapter.

27 2. A taxpayer, or officer, member, or employee of the  
28 taxpayer, who willfully attempts to evade the replacement tax  
29 imposed or the payment of the replacement tax is guilty of a  
30 class "D" felony.

31 3. The issuance of a certificate by the director or a county  
32 treasurer stating that a replacement tax has not been paid,  
33 that a return has not been filed, or that information has not  
34 been supplied pursuant to this chapter is prima facie evidence  
35 of such failure.



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1     4. A taxpayer, or officer, member, or employee of the  
2 taxpayer, required to pay a replacement tax, or required to  
3 make, sign, or file an annual return or supplemental return,  
4 who willfully makes a false or fraudulent annual return, or  
5 who willfully fails to pay at least ninety percent of the  
6 replacement tax or willfully fails to make, sign, or file the  
7 annual return, as required, is guilty of a fraudulent practice.

8     5. For purposes of determining the place of trial for a  
9 violation of this section, the situs of an offense is in the  
10 county of the residence of the taxpayer, officer, member, or  
11 employee of the taxpayer charged with the offense, unless  
12 the taxpayer, officer, member, or employee of the taxpayer  
13 is a nonresident of this state or the residence cannot be  
14 established, in which event the situs of the offense is in Polk  
15 county.

16     6. Prosecution for an offense specified in this section  
17 shall be commenced within six years after the commission of the  
18 offense.

19     Sec. 19. **NEW SECTION. 437B.10 Correction of errors —**  
20 **refunds or credits of replacement tax paid — information**  
21 **confidential — penalty.**

22     1. a. If an amount of replacement tax, penalty, or interest  
23 has been paid which was not due under this chapter, a county  
24 treasurer to whom such erroneous payment was made shall do one  
25 of the following:

26         (1) Credit the amount of the erroneous payment against any  
27 replacement tax due, or to become due, from the taxpayer on the  
28 books of the city or county.

29         (2) Refund the amount of the erroneous payment to the  
30 taxpayer.

31     b. Claims for refund or credit of replacement taxes paid  
32 shall be filed with the director. A claim for refund or credit  
33 that is not filed with the director within three years after  
34 the replacement tax payment upon which a refund or credit  
35 is claimed became due, or one year after the replacement





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1 tax payment was made, whichever time is later, shall not be  
2 allowed. A claim for refund or credit of tax alleged to be  
3 unconstitutional not filed with the director within ninety days  
4 after the replacement tax payment upon which a refund or credit  
5 is claimed became due shall not be allowed. As a precondition  
6 for claiming a refund or credit of alleged unconstitutional  
7 taxes, such taxes must be paid under written protest which  
8 specifies the particulars of the alleged unconstitutionality.  
9 Claims for refund or credit may only be made by, and refunds or  
10 credits may only be made to, the person responsible for paying  
11 the replacement tax, or such person's successors. The director  
12 shall notify affected county treasurers of the acceptance or  
13 denial of any refund claim. Section 421.10 applies to claims  
14 denied by the director.

15 2. a. It is unlawful for any present or former officer or  
16 employee of the state to divulge or to make known in any manner  
17 to any person the gallons of water delivered by a water utility  
18 disclosed on a tax return, return information, or investigative  
19 or audit information. A person who violates this section is  
20 guilty of a serious misdemeanor. If the offender is an officer  
21 or employee of the state, such person, in addition to any other  
22 penalty, shall also be dismissed from office or discharged from  
23 employment. This section does not prohibit turning over to  
24 duly authorized officers of the United States or tax officials  
25 of other states such information pursuant to agreement between  
26 the director and the secretary of the treasury of the United  
27 States or the secretary's delegate or pursuant to a reciprocal  
28 agreement with another state.

29 b. Local taxing authority employees are deemed to be  
30 officers and employees of the state for purposes this of  
31 subsection.

32 3. Unless otherwise expressly permitted by a section  
33 referencing this chapter, the gallons of water delivered by a  
34 taxpayer in a service area shall not be divulged to any person  
35 or entity, other than the taxpayer, the department of revenue,

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1 or the internal revenue service for use in a matter unrelated  
2 to tax administration. This prohibition precludes persons or  
3 entities other than the taxpayer, the department of revenue, or  
4 the internal revenue service from obtaining such information  
5 from the department of revenue. A subpoena, order, or process  
6 which requires the department of revenue to produce such  
7 information to a person or entity, other than the taxpayer, the  
8 department of revenue, or internal revenue service, for use in  
9 a nontax proceeding is void.

10 4. Notwithstanding subsections 2 and 3, the chief financial  
11 officer of any local taxing authority and any designee of such  
12 officer shall have access to any computations made by the  
13 director pursuant to the provisions of this chapter, and any  
14 tax return or other information used by the director in making  
15 such computations, which affect the replacement tax owed by any  
16 such taxpayer.

17 5. Claims for refund or credit of special utility property  
18 tax levies shall be filed with the appropriate county  
19 treasurer. Subsection 1 applies with respect to the special  
20 utility property tax levy and the county treasurer shall have  
21 the same authority as is granted to the director under this  
22 section.

23 Sec. 20. NEW SECTION. **437B.11 Allocation of revenue.**

24 1. The director and the department of management shall  
25 compute the allocation of all replacement tax revenues among  
26 the local taxing districts in accordance with this section and  
27 shall report such allocation by local taxing districts to the  
28 county treasurers on or before August 15 following a tax year.

29 2. The director shall determine and report to the department  
30 of management the total replacement taxes to be collected from  
31 each taxpayer for the tax year on or before July 30 following  
32 such tax year.

33 3. a. All replacement taxes owed by a taxpayer shall  
34 be allocated among the local taxing districts in which such  
35 taxpayer's property is located in accordance with a general



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1 allocation formula determined by the department of management  
2 on the basis of general property tax equivalents. General  
3 property tax equivalents shall be determined by applying the  
4 levy rates reported by each local taxing district to the  
5 department of management on or before June 30 following a tax  
6 year to the taxable value of taxpayer property allocated to  
7 each such local taxing district as adjusted and reported to  
8 the department of management in such tax year by the director  
9 pursuant to the procedures required pursuant to section  
10 437B.15. The general allocation formula for a tax year shall  
11 allocate to each local taxing district that portion of the  
12 replacement taxes owed by each taxpayer which bears the same  
13 ratio as such taxpayer's general property tax equivalents for  
14 each local taxing district bears to such taxpayer's total  
15 general property tax equivalents for all local taxing districts  
16 in Iowa.

17     *b.* If, during the tax year, a taxpayer transferred operating  
18 property or an interest in operating property to another  
19 taxpayer, the transferee taxpayer's replacement tax associated  
20 with that property shall be allocated, for the tax year in  
21 which the transfer occurred, under this section in accordance  
22 with the general allocation formula on the basis of the general  
23 property tax equivalents of the transferor taxpayer.

24     *c.* Notwithstanding the provisions of this section, if during  
25 the tax year a person who was not a taxpayer during the prior  
26 tax year acquires a new major addition, as defined in section  
27 437B.2, subsection 8, paragraph "a", subparagraph (4), the  
28 replacement tax associated with that major addition shall be  
29 allocated, for that tax year, under this section in accordance  
30 with the general allocating formula on the basis of the general  
31 property tax equivalents established under paragraph "a" of  
32 this subsection, except that the levy rates established and  
33 reported to the department of management on or before June 30  
34 following the tax year in which the major addition was acquired  
35 shall be applied to the prorated assessed value of the major



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1 addition. For purposes of this paragraph, "*prorated assessed*  
2 *value of the major addition*" means the assessed value of the  
3 major addition as of January 1 of the year following the tax  
4 year in which the major addition was acquired multiplied by the  
5 percentage derived by dividing the number of months that the  
6 major addition existed during the tax year by twelve, counting  
7 any portion of a month as a full month.

8 4. On or before August 31 following tax years 2014, 2015,  
9 and 2016, each county treasurer shall compute a special  
10 utility property tax levy or tax credit for each taxpayer for  
11 which a replacement tax liability for each such tax year is  
12 reported to the county treasurer pursuant to subsection 1, and  
13 shall notify the taxpayer of the amount of such tax levy or  
14 tax credit. The amount of the special utility property tax  
15 levy or credit shall be determined for each taxpayer by the  
16 county treasurer by comparing the taxpayer's total replacement  
17 tax liability allocated to taxing districts in the county  
18 pursuant to this section with the anticipated tax revenues  
19 from the taxpayer for all taxing districts in the county. If  
20 the taxpayer's total replacement tax liability allocated to  
21 taxing districts in the county is less than the anticipated  
22 tax revenues from the taxpayer for all taxing districts in  
23 the county, the county treasurer shall levy a special utility  
24 property tax equal to the shortfall which shall be added to  
25 and collected with the replacement tax owed by the taxpayer  
26 to the county treasurer for the tax year pursuant to section  
27 437B.4, subsection 3. If the taxpayer's total replacement tax  
28 liability allocated to taxing districts in the county exceeds  
29 the anticipated tax revenues from the taxpayer for all taxing  
30 districts in the county, the county treasurer shall issue a  
31 credit to the taxpayer which shall be applied to reduce the  
32 taxpayer's replacement tax liability to the county treasurer  
33 for the tax year. If the taxpayer's total replacement tax  
34 liability allocated to taxing districts in the county equals  
35 the anticipated tax revenues from the taxpayer for all taxing



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1 districts in the county, no levy or credit is required.  
2 Replacement tax liability for purposes of this subsection means  
3 replacement tax liability before credits allowed by section  
4 437B.4, subsection 5. A recalculation of a special utility  
5 property tax levy or credit shall not be made as a result  
6 of a subsequent recalculation of replacement tax liability  
7 under section 437B.4, subsection 5, or adjustment to assessed  
8 value under section 437B.15. "*Anticipated tax revenues from a*  
9 *taxpayer*" means the product of the total levy rates imposed  
10 by the taxing districts and the value of taxpayer property  
11 allocated to the taxing districts and reported to the county  
12 auditor. Special utility property tax levies and credits  
13 shall be treated as replacement taxes for purposes of section  
14 437B.7. If a special utility property tax levy payment becomes  
15 delinquent, the delinquent payment shall accrue interest and  
16 penalty in the same manner and amount as the replacement tax  
17 under section 437B.9.

18 5. The replacement tax, as adjusted by any special utility  
19 property tax levy or credit and remitted to a county treasurer  
20 by each taxpayer, shall be treated as a property tax when  
21 received and shall be disbursed by the county treasurer  
22 as taxes on real estate. Notwithstanding the allocation  
23 provisions of this section, nothing in this section shall deny  
24 any municipality which has enacted an ordinance or entered  
25 into an agreement for the division and allocation of taxes  
26 authorized under section 403.19 and under which ordinance or  
27 agreement the taxes collected in respect of properties owned  
28 by any of the taxpayers remitting replacement taxes pursuant  
29 to the provisions of this chapter are being divided and  
30 allocated, the right to receive its share of the replacement  
31 tax revenues collected for any year which would otherwise be  
32 paid to such municipality under the terms of any such ordinance  
33 or agreement had this chapter not been enacted. To the extent  
34 that adjustment must be made to the allocation described in  
35 this section to give effect to the terms of such ordinances

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1 or agreements, the department of management and the county  
2 treasurer shall make such adjustments.

3 6. In lieu of the adjustment provided for in subsection 5,  
4 the assessed value of property described in section 403.19,  
5 subsection 1, may be reduced by the city or county by the  
6 amount of the taxable value of the property described in  
7 section 437B.11 included in such area on January 1, 2012,  
8 pursuant to amendment of the ordinance adopted by such city or  
9 county pursuant to section 403.19.

10 7. The utility replacement task force created in section  
11 437A.15 shall study the effects of the replacement tax on  
12 local taxing authorities, local taxing districts, consumers,  
13 and taxpayers through January 1, 2016. If the task force  
14 recommends modifications to the replacement tax that will  
15 further the purposes of tax neutrality for local taxing  
16 authorities, local taxing districts, taxpayers, and consumers,  
17 consistent with the stated purposes of this chapter, the  
18 department of management shall transmit those recommendations  
19 to the general assembly.

20 Sec. 21. NEW SECTION. 437B.12 **Assessment exclusive.**

21 All operating property and all other property that is  
22 primarily and directly used in the delivery of water subject  
23 to replacement tax is exempt from taxation except as otherwise  
24 provided by this chapter.

25 Sec. 22. NEW SECTION. 437B.13 **Statutes applicable — rate**  
26 **calculations.**

27 1. The director shall administer and enforce the  
28 replacement tax imposed by this chapter in the same manner as  
29 provided in and subject to sections 422.68, 422.70, 422.71, and  
30 422.75.

31 2. The calculation of tax rates and adjustments to  
32 such rates by the director pursuant to this chapter do not  
33 constitute rulemaking subject to the provisions of chapter 17A.

34 Sec. 23. NEW SECTION. 437B.14 **Tax imposition.**

35 An annual statewide property tax of three cents per one



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1 thousand dollars of assessed value is imposed upon all property  
2 described in section 437B.12 on the assessment date of January  
3 1.

4 Sec. 24. NEW SECTION. 437B.15 Adjustment to assessed value  
5 — reporting requirements.

6 1. a. A taxpayer whose property is subject to the statewide  
7 property tax shall report to the director by July 1, 2014, and  
8 by May 1 of each subsequent tax year, on forms prescribed by  
9 the director, the book value, as of the beginning and end of  
10 the preceding calendar year, of all of the following:

11 (1) The local amount of any major addition by local taxing  
12 district.

13 (2) The statewide amount of any major addition without  
14 notation of location.

15 (3) Any building in Iowa at acquisition cost of more than  
16 ten million dollars that was originally placed in service by  
17 the taxpayer prior to January 1, 2013, and that was transferred  
18 or disposed of in the preceding calendar year, listed by local  
19 taxing district.

20 (4) All other taxpayer property without notation of  
21 location.

22 (5) The local amount of any major addition eligible for the  
23 urban revitalization exemption provided for in chapter 404, by  
24 situs.

25 (6) All other transferred taxpayer property, in addition  
26 to any transferred property reported under subparagraph (3),  
27 listed by local taxing district.

28 (7) Any water utility operating property at acquisition  
29 cost of more than one million dollars that was transferred or  
30 disposed of in the preceding calendar year, listed by local  
31 taxing district.

32 b. For purposes of this section:

33 (1) "Book value" means acquisition cost less accumulated  
34 depreciation determined under generally accepted accounting  
35 principles.



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1 (2) *"Taxpayer property"* means property described in section  
2 437B.12.

3 (3) *"To dispose of"* means to sell, abandon, decommission,  
4 or retire an asset.

5 (4) *"Transfer"* means a transaction which results in a change  
6 of ownership of taxpayer property and includes a capital lease  
7 transaction.

8 c. For purposes of this subsection, *"taxpayer"* includes a  
9 person who would have been a taxpayer in calendar year 2013  
10 had the provisions of this chapter been in effect for the 2013  
11 assessment year.

12 d. If a taxpayer owns or leases pursuant to a capital lease  
13 less than the entire interest in a major addition, the local  
14 amount and statewide amount, if any, of such major addition  
15 shall be apportioned to the taxpayer on the basis of its  
16 percentage interest in such major addition.

17 2. a. Beginning January 1, 2014, the assessed value of  
18 taxpayer property shall be adjusted annually as provided in  
19 this section. The director, with respect to each taxpayer,  
20 shall do all of the following:

21 (1) Adjust the assessed value of taxpayer property in  
22 each local taxing district by the change in book value during  
23 the preceding calendar year of the local amount of any major  
24 addition reported within such local taxing district.

25 (2) Adjust the assessed value of taxpayer property in each  
26 local taxing district by allocating the change in book value  
27 during the preceding calendar year of the statewide amount  
28 and all other taxpayer property described in subsection 1,  
29 paragraph "a", subparagraph (5), to the assessed value of  
30 all taxpayer property in the state pro rata according to its  
31 preadjustment value.

32 (3) In the case of taxpayer property described in subsection  
33 1, paragraph "a", subparagraphs (3), (4), and (7), decrease  
34 the assessed value of taxpayer property in each local taxing  
35 district by the assessed value reported within such local





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1 taxing district.

2 (4) In the event of a merger or consolidation of two or more  
3 taxpayers, to determine the assessed value of the surviving  
4 taxpayer, combine the assessed values of such taxpayers  
5 immediately prior to the merger or consolidation.

6 (5) In the event any taxpayer property is eligible for the  
7 urban revitalization tax exemption described in chapter 404,  
8 adjust the assessed value of taxpayer property within each  
9 affected local taxing district to reflect such exemption.

10 (6) In the event the base year assessed value of taxpayer  
11 property is adjusted as a result of taxpayer appeals, reduce  
12 the assessed value of taxpayer property in each local taxing  
13 district to reflect such adjustment. The adjustment shall be  
14 allocated in proportion to the allocation of the taxpayer's  
15 assessed value among the local taxing districts determined  
16 without regard to this adjustment. An adjustment to the  
17 base year assessed value of taxpayer property shall be made  
18 as of January 1 of the year following the date on which the  
19 adjustment is finally determined.

20 *b.* In no event shall the adjustments set forth in this  
21 subsection reduce the assessed value of taxpayer property in  
22 any local taxing district below zero.

23 *c.* The director, on or before October 31 of each assessment  
24 year, shall report to the department of management and to the  
25 auditor of each county the adjusted assessed value of taxpayer  
26 property as of January 1 of such assessment year for each local  
27 taxing district. For purposes of this subsection, the assessed  
28 value of taxpayer property in each local taxing district  
29 subject to adjustment under this section by the director means  
30 the assessed value of such property as of the preceding January  
31 1 as determined and allocated among the local taxing districts  
32 by the director.

33 *d.* Nothing in this chapter shall be interpreted to authorize  
34 local taxing authorities to exclude from the calculation of  
35 levy rates the taxable value of taxpayer property reported to



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1 county auditors pursuant to this subsection.  
2 e. In addition to reporting the assessed values as described  
3 in this subsection, the director, on or before October 31 of  
4 each assessment year, shall also report to the department of  
5 management and to the auditor of each county the taxable value  
6 of taxpayer property as of January 1 of such assessment year  
7 for each local taxing district. For purposes of this chapter,  
8 "taxable value" means the value for all property subject to  
9 the replacement tax annually determined by the director, by  
10 dividing the estimated annual replacement tax liability for  
11 that property by the current fiscal year's consolidated taxing  
12 district rate for the taxing district where that property is  
13 located, then multiplying the quotient by one thousand. A  
14 taxpayer who paid more than five hundred thousand dollars in  
15 replacement tax in the previous tax year or who believes the  
16 taxpayer's replacement tax liability will vary more than ten  
17 percent from the previous tax year shall report to the director  
18 by October 1 of the current calendar year, on forms prescribed  
19 by the director, the estimated replacement tax liability that  
20 will be attributable to all of the taxpayer's property subject  
21 to replacement tax for the current tax year. The department  
22 shall utilize the estimated replacement tax liability as  
23 reported by the taxpayer or the taxpayer's prior year's  
24 replacement tax amounts to estimate the current tax year's  
25 taxable value for that property. Furthermore, a taxpayer  
26 who has a new major addition of operating property which is  
27 put into service for the first time in the current calendar  
28 year shall report to the director by October 1 of the current  
29 calendar year, or at the time the major addition is put into  
30 service, whichever time is later, on forms prescribed by the  
31 director, the cost of the major addition and, if not previously  
32 reported, shall report the estimated replacement taxes which  
33 that asset will generate in the current calendar year. For  
34 the purposes of computing the taxable value of property in a  
35 taxing district, the taxing district's share of the estimated



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1 replacement tax liability shall be the taxing district's  
2 percentage share of the assessed value allocated by property  
3 tax equivalent multiplied by the total estimated replacement  
4 tax. The assessed value allocated by property tax equivalent  
5 shall be determined by dividing the taxpayer's current year  
6 assessed valuation in a taxing district by one thousand, and  
7 then multiplying by the prior year's consolidated tax rate.

8 Sec. 25. NEW SECTION. 437B.16 Tax exemptions.

9 Except as provided in section 437B.12, all property tax  
10 exemptions in the Code do not apply to property subject to the  
11 statewide property tax unless such exemptions expressly refer  
12 to the statewide property tax, except that if property was  
13 exempt from property tax on January 1, 2014, such exemption  
14 shall continue until the exemption expires, is phased out, or  
15 is repealed. The property of a taxpayer who does not owe any  
16 replacement tax is exempt from the statewide property tax for  
17 the coinciding assessment year.

18 Sec. 26. NEW SECTION. 437B.17 Return and payment  
19 requirements.

20 1. Each water utility whose property is subject to the  
21 statewide property tax shall file with the director a return,  
22 on or before March 31 following the assessment year, including  
23 but not limited to the following information:

24 a. The assessed value of property subject to the statewide  
25 property tax.

26 b. The amount of statewide property tax computed on such  
27 assessed value.

28 2. The first return under subsection 1 is due on or before  
29 February 28, 2015.

30 3. A return shall be signed by an officer, or other person  
31 duly authorized by the taxpayer, and must be certified as  
32 correct and in accordance with rules and forms prescribed by  
33 the director.

34 4. At the time of filing the return with the director,  
35 the taxpayer shall calculate the statewide property tax owed

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1 for the assessment year and shall remit to the director the  
2 statewide property tax required to be shown due on the return.

3 5. Notwithstanding subsections 1 through 4, a taxpayer  
4 is not required to file a return under this section or to  
5 remit any statewide property tax for any tax year in which the  
6 taxpayer's statewide property tax liability is one dollar or  
7 less.

8 Sec. 27. NEW SECTION. **437B.18 Statutes applicable.**

9 1. Sections 437B.5, 437B.6, 437B.8, and 437B.9, and section  
10 437B.10, subsection 1, are applicable to water utilities whose  
11 property is subject to the statewide property tax.

12 2. a. Section 422.26 applies with respect to the statewide  
13 property tax and penalties imposed by this chapter, except  
14 that, as applied to any tax imposed by this chapter, the lien  
15 provided shall be prior to and superior over all subsequent  
16 liens upon any personal property within this state or right  
17 to such personal property belonging to the taxpayer, without  
18 the necessity of recording the lien as provided in section  
19 422.26. The requirement for recording, as applied to the  
20 statewide property tax imposed by this chapter, shall apply  
21 only to a lien upon real property. In order to preserve such  
22 lien against subsequent mortgagees, purchasers, or judgment  
23 creditors, for value and without notice of the lien, on any  
24 real property situated in a county, the director shall file  
25 with the recorder of the county in which the real property is  
26 located a notice of the lien.

27 b. The county recorder of each county shall index each lien  
28 showing the applicable entries specified in sections 558.49  
29 and 558.52 and showing, under the names of taxpayers arranged  
30 alphabetically, all of the following:

- 31 (1) The name of the taxpayer.  
32 (2) The name "State of Iowa" as claimant.  
33 (3) Time the notice of lien was filed for recording.  
34 (4) Date of notice.  
35 (5) Amount of lien then due.



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1 (6) Date of assessment.

2 (7) Date when the lien is satisfied.

3 c. The recorder shall endorse on each notice of lien the  
4 day, hour, and minute when filed for recording and the document  
5 reference number, shall preserve such notice, and shall  
6 promptly record the lien in the manner provided for recording  
7 real estate mortgages. The lien is effective from the time of  
8 the indexing of the lien.

9 d. The director, from moneys appropriated to the department  
10 of revenue for this purpose, shall pay recording fees as  
11 provided in section 331.604 for the recording of the lien, or  
12 for its satisfaction.

13 e. Upon the payment of the statewide property tax as to  
14 which the director has filed notice with a county recorder, the  
15 director shall promptly file with the recorder a satisfaction  
16 of the statewide property tax. The recorder shall enter the  
17 satisfaction on the notice on file in the recorder's office and  
18 indicate that fact on the index.

19 Sec. 28. NEW SECTION. **437B.19 Deposit of tax proceeds.**

20 All revenues received from imposition of the statewide  
21 property tax shall be deposited in the general fund of the  
22 state. Fifty percent of the revenues shall be available, as  
23 appropriated by the general assembly, to the department of  
24 management for salaries, support, services, and equipment to  
25 administer the replacement tax. The balance of the revenues  
26 shall be available, as appropriated by the general assembly, to  
27 the department of revenue for salaries, support, services, and  
28 equipment to administer and enforce the replacement tax and the  
29 statewide property tax.

30 Sec. 29. NEW SECTION. **437B.20 Records.**

31 Each water utility that is subject to the replacement tax or  
32 the statewide property tax shall maintain records associated  
33 with the replacement tax and the assessed value of property  
34 subject to the statewide property tax for a period of five  
35 years following the later of the original due date for filing a

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1 return pursuant to sections 437B.4 and 437B.17 in which such  
2 taxes are reported, or the date on which either such return is  
3 filed. Such records shall include those associated with any  
4 additions or dispositions of property, and the allocation of  
5 such property among local taxing districts.

6 Sec. 30. NEW SECTION. **437B.21 Rules.**

7 The director of revenue may adopt rules pursuant to chapter  
8 17A for the administration and enforcement of this chapter.

9 Sec. 31. Section 441.73, subsection 1, Code 2013, is amended  
10 to read as follows:

11 1. A litigation expense fund is created in the state  
12 treasury. The litigation expense fund shall be used for the  
13 payment of litigation expenses incurred by the state to defend  
14 property valuations established by the director of revenue  
15 pursuant to section 428.24 and chapters 433, 434, 437, 437A,  
16 437B, and 438, and for the payment of litigation expenses  
17 incurred by the state to defend the imposition of replacement  
18 taxes and statewide property taxes under ~~chapter~~ chapters 437A  
19 and 437B.

20 Sec. 32. Section 443.2, unnumbered paragraph 2, Code 2013,  
21 is amended to read as follows:

22 The county auditor shall list the aggregate actual value  
23 and the aggregate taxable value of all taxable property within  
24 the county and each political subdivision including property  
25 subject to the statewide property tax imposed under section  
26 437A.18 or 437B.14 on the tax list in order that the actual  
27 value of the taxable property within the county or a political  
28 subdivision may be ascertained and shown by the tax list for  
29 the purpose of computing the debt-incurring capacity of the  
30 county or political subdivision. As used in this section,  
31 "*actual value*" is the value determined under section 441.21,  
32 subsections 1 to 3, prior to the reduction to a percentage of  
33 actual value as otherwise provided in section 441.21. "*Actual*  
34 *value*" of property subject to statewide property tax is the  
35 assessed value under section 437A.18 or 437B.14.

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1     Sec. 33. Section 476.6, subsection 19, paragraphs a and b,  
2 Code 2013, are amended to read as follows:

3     a. The costs of the replacement tax imposed pursuant to  
4 chapter 437A or 437B shall be reflected in the charges of  
5 utilities subject to rate regulation, in lieu of the utilities'  
6 costs of property taxes. The imposition of the replacement  
7 taxes pursuant to chapter 437A is not intended to initiate any  
8 change in the rates and charges for the sale of electricity,  
9 the sale of natural gas, or the transportation of natural  
10 gas that is subject to regulation by the board and in effect  
11 on January 1, 1999. The imposition of the replacement taxes  
12 pursuant to chapter 437B is not intended to initiate any change  
13 in the rates and charges for the sale of water that is subject  
14 to regulation by the board and in effect on January 1, 2014.

15     b. The cost of the replacement taxes imposed by chapter 437A  
16 or 437B shall be allocated among and within customer classes in  
17 a manner that will replicate the tax cost burden of the current  
18 property tax on individual customers to the maximum extent  
19 practicable.

20     Sec. 34. IMPLEMENTATION — EMERGENCY RULES. The department  
21 of revenue shall adopt administrative rules under section  
22 17A.4, subsection 3, and section 17A.5, subsection 2, paragraph  
23 "b", to implement this Act including but not limited to rules  
24 requiring water utilities to report all information and data  
25 necessary for the department to carry out the provisions of  
26 this Act and the rules shall be effective immediately upon  
27 filing unless a later date is specified in the rules. Any  
28 rules adopted in accordance with the provisions of this  
29 section shall also be published as notice of intended action  
30 as provided in section 17A.4.

31     Sec. 35. EFFECTIVE UPON ENACTMENT. This Act, being deemed  
32 of immediate importance, takes effect upon enactment.

33     Sec. 36. APPLICABILITY. This Act applies to property tax  
34 assessment years and replacement tax years beginning on or  
35 after January 1, 2014.



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1 EXPLANATION

2 This bill enacts new Code chapter 437B, which establishes  
3 a water utility replacement tax and statewide property tax  
4 imposed on water utility property.

5 The bill imposes a replacement delivery tax on each water  
6 utility that delivers water to a consumer within the water  
7 utility's service area, as defined in the bill. The bill  
8 defines "water utility" to mean a person engaged primarily  
9 in the production, delivery, service, or sale of water in a  
10 service area, whether formed or organized under the laws of  
11 this state or elsewhere, and subject to the rate and service  
12 regulation of the utilities board pursuant to Code chapter  
13 476. Under the bill, however, "water utility" does not include  
14 a cooperative, municipal utility, or other entity engaged  
15 primarily in such activities that is not under the jurisdiction  
16 of the utilities board.

17 The replacement delivery tax imposed in the bill is equal to  
18 the number of gallons of water delivered to consumers in the  
19 water utility's service area by the taxpayer during the tax  
20 year multiplied by the replacement delivery tax rate in effect  
21 for the service area. The director of revenue is required to  
22 calculate the replacement delivery tax rate for each service  
23 area using a methodology specified in the bill. The bill also  
24 establishes conditions under which the replacement delivery  
25 tax rate shall be adjusted for specific service areas. The  
26 replacement delivery tax rate in effect for each service area  
27 must be published annually by the director of revenue in the  
28 Iowa administrative bulletin.

29 Each taxpayer subject to the water utility replacement tax  
30 imposed under new Code chapter 437B must file on or before  
31 March 31 following a tax year with the director of revenue a  
32 return signed by an officer or other person authorized by the  
33 water utility that includes specified information relating  
34 to the total taxable gallons of water delivered by the water  
35 utility to consumers within the service area during the tax





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1 year and the tentative replacement taxes due for the tax year.

2 The bill provides that a taxpayer shall not be required to  
3 file a return or remit any replacement tax for any tax year in  
4 which the taxpayer's replacement tax liability before credits  
5 is \$300 or less.

6 The bill specifies the duties of the department of revenue  
7 for the calculation of the tentative replacement tax due  
8 for each tax year, for making applicable adjustments to the  
9 tentative replacement tax amounts, and for the examination of  
10 filed returns.

11 Under the bill, actions of the director of revenue under new  
12 Code chapter 437B are reviewable pursuant to Code chapter 17A  
13 (Iowa Administrative Procedure Act).

14 The bill provides for the filing of a lien when a taxpayer  
15 who is liable to pay a tax imposed by new Code chapter 437B  
16 refuses or neglects to pay such tax.

17 The bill provides that a taxpayer is subject to the  
18 penalty provisions in Code section 421.27 with respect to any  
19 replacement tax due under new Code chapter 437B and requires  
20 a taxpayer to also pay interest on delinquent replacement tax  
21 amounts at the rate in effect under Code section 421.7. A  
22 taxpayer, or officer, member, or employee of the taxpayer, who  
23 willfully attempts to evade the replacement tax imposed or the  
24 payment of the replacement tax is guilty of a class "D" felony.  
25 In addition, a taxpayer, or officer, member, or employee of the  
26 taxpayer, required to pay a replacement tax, or required to  
27 make, sign, or file an annual return or supplemental return,  
28 who willfully makes a false or fraudulent annual return, or who  
29 willfully fails to pay at least 90 percent of the replacement  
30 tax or willfully fails to make, sign, or file the annual  
31 return, as required, is guilty of a fraudulent practice. The  
32 bill provides that prosecution for such offenses shall be  
33 commenced within six years after the commission of the offense.

34 The bill specifies the procedures for refunding or providing  
35 a credit for the payment of a replacement tax, penalty, or

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1 interest which was not due under new Code chapter 437B.  
2 Under the bill, it is unlawful for any present or former  
3 officer or employee of the state to divulge or to make known in  
4 any manner to any person, except specified government entities,  
5 the gallons of water delivered by a water utility disclosed on  
6 a tax return, return information, or investigative or audit  
7 information. A person who violates this provision of the  
8 bill is guilty of a serious misdemeanor. In addition, if the  
9 offender is an officer or employee of the state, such person,  
10 in addition to any other penalty, shall also be dismissed from  
11 office or discharged from employment.  
12 The bill requires the director of revenue and the department  
13 of management to compute the allocation of all replacement  
14 tax revenues among the local taxing districts and report such  
15 allocation by local taxing districts to the county treasurers  
16 on or before August 15 following a tax year. Under the bill,  
17 all replacement taxes owed by a taxpayer shall be allocated  
18 among the local taxing districts in which such taxpayer's  
19 property is located in accordance with a general allocation  
20 formula determined by the department of management on the basis  
21 of general property tax equivalents, as determined in the bill.  
22 The general allocation formula for a tax year shall allocate  
23 to each local taxing district that portion of the replacement  
24 taxes owed by each taxpayer which bears the same ratio as such  
25 taxpayer's general property tax equivalents for each local  
26 taxing district bears to such taxpayer's total general property  
27 tax equivalents for all local taxing districts in the state.  
28 The bill provides for the adjustments to the allocations based  
29 on certain specified conditions.  
30 The bill provides that on or before August 31 following  
31 tax years 2014, 2015, and 2016, each county treasurer shall  
32 compute a special utility property tax levy or tax credit for  
33 each taxpayer for which a replacement tax liability for each  
34 such tax year is reported to the county treasurer and shall  
35 notify the taxpayer of the amount of such tax levy or tax



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1 credit. The amount of the special utility property tax levy  
2 or credit shall be determined for each taxpayer by the county  
3 treasurer by comparing the taxpayer's total replacement tax  
4 liability allocated to taxing districts in the county with  
5 the anticipated tax revenues from the taxpayer for all taxing  
6 districts in the county. If the taxpayer's total replacement  
7 tax liability allocated to taxing districts in the county is  
8 less than the anticipated tax revenues from the taxpayer for  
9 all taxing districts in the county, the county treasurer shall  
10 levy a special utility property tax equal to the shortfall  
11 which shall be added to and collected with the replacement tax  
12 owed by the taxpayer to the county treasurer for the tax year.  
13 If the taxpayer's total replacement tax liability allocated  
14 to taxing districts in the county exceeds the anticipated  
15 tax revenues from the taxpayer for all taxing districts in  
16 the county, the county treasurer shall issue a credit to the  
17 taxpayer which shall be applied to reduce the taxpayer's  
18 replacement tax liability to the county treasurer for the tax  
19 year.

20 The replacement tax, as adjusted by any special utility  
21 property tax levy or credit and remitted to a county treasurer  
22 by each taxpayer, shall be treated as a property tax when  
23 received and shall be disbursed by the county treasurer as  
24 taxes on real estate. The bill specifies the manner in which  
25 replacement tax revenue under new Code chapter 437B shall be  
26 apportioned for property subject to division and allocation of  
27 taxes authorized under Code section 403.19.

28 The bill requires the utility replacement task force  
29 created in Code section 437A.15 to study the effects of the  
30 replacement tax on local taxing authorities, local taxing  
31 districts, consumers, and taxpayers through January 1, 2016,  
32 and authorizes the utility replacement task force to make  
33 appropriate recommendations to the general assembly.

34 The bill specifies that all operating property and all  
35 other property that is primarily and directly used in the



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1 delivery of water subject to the replacement tax is exempt  
2 from taxation except as otherwise provided by new Code chapter  
3 437B, which, in addition to the replacement tax, imposes the  
4 statewide property tax levy of three cents per \$1,000 of  
5 assessed value. The bill requires a taxpayer whose property  
6 is subject to the statewide property tax to report to the  
7 director of revenue specified property and value information  
8 relating to such property and file a return with the director  
9 of revenue specifying the assessed value of property subject to  
10 the statewide property tax and the amount of statewide property  
11 tax computed on such assessed value.

12 Under the bill, all revenues received from imposition of  
13 the statewide property tax shall be deposited in the general  
14 fund of the state. Fifty percent of the revenues shall be  
15 available, as appropriated by the general assembly, to the  
16 department of management for salaries, support, services, and  
17 equipment to administer the replacement tax. The balance  
18 of the revenues shall be available, as appropriated by the  
19 general assembly, to the department of revenue for salaries,  
20 support, services, and equipment to administer and enforce the  
21 replacement tax and the statewide property tax.

22 The bill specifies replacement tax record retention and  
23 maintenance requirements for water utilities.

24 The bill authorizes the director of revenue to adopt  
25 rules pursuant to Code chapter 17A for the administration  
26 and enforcement of new Code chapter 437B. In addition, the  
27 bill authorizes the department of revenue to adopt emergency  
28 administrative rules to implement the bill including but not  
29 limited to rules requiring water utilities to report all  
30 information and data necessary for the department to carry out  
31 the provisions of the bill.

32 The bill makes corresponding changes to other provisions of  
33 the Code to reflect the enactment of new Code chapter 437B.

34 The bill takes effect upon enactment and applies to property  
35 tax assessment years and replacement tax years beginning on or



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1 after January 1, 2014.



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**Senate Study Bill 1253 - Introduced**

SENATE FILE \_\_\_\_\_  
BY (PROPOSED COMMITTEE ON  
WAYS AND MEANS BILL BY  
CHAIRPERSON BOLKCOM)

**A BILL FOR**

1 An Act authorizing the establishment of reinvestment districts  
2 following approval of the economic development authority  
3 board, providing for the remittance of certain state sales  
4 tax revenues and certain state hotel and motel tax revenues  
5 to municipalities, establishing a state reinvestment  
6 district fund, and making appropriations.  
7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

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1     Section 1. NEW SECTION. 15J.1 Short title.  
2     This chapter shall be known and may be cited as the "*Iowa*  
3 *Reinvestment Act*".  
4     Sec. 2. NEW SECTION. 15J.2 Definitions.  
5     As used in this chapter, unless the context otherwise  
6 requires:  
7     1. "*Board*" means the same as defined in section 15.102.  
8     2. "*Department*" means the department of revenue.  
9     3. "*District*" means the area within a municipality that is  
10 designated a reinvestment district pursuant to section 15J.3.  
11    4. "*Fund*" means the state reinvestment district fund created  
12 in section 15J.5.  
13    5. "*Governing body*" means the county board of supervisors,  
14 city council, or other body in which the legislative powers of  
15 the municipality are vested.  
16    6. "*Lessor*" means the same as defined in section 423A.2.  
17    7. "*Municipality*" means a county or an incorporated city.  
18    8. "*Project*" means a vertical improvement constructed  
19 or substantially improved within a district using sales  
20 tax revenues and hotel and motel tax revenues received by a  
21 municipality pursuant to this chapter.  
22    9. "*Retail establishment*" means a business operated by a  
23 retailer as defined in section 423.1.  
24    10. "*State hotel and motel tax*" means the state-imposed tax  
25 under section 423A.3.  
26    11. "*State sales tax*" means the sales and services tax  
27 imposed pursuant to section 423.2.  
28    12. "*Vertical improvement*" means a building that is wholly  
29 or partially above grade and all appurtenant structures to the  
30 building.  
31    Sec. 3. NEW SECTION. 15J.3 District establishment —  
32 approval.  
33    1. A municipality that has an area suitable for development  
34 within the boundaries of the municipality is eligible to  
35 seek approval from the board to establish a reinvestment



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1 district under this section consisting of the area suitable for  
2 development. To be designated a reinvestment district, an area  
3 shall meet the following requirements:

4     *a.* The area consists only of parcels of real property that  
5 the governing body of the municipality determines will be  
6 directly and substantially benefited by development in the  
7 proposed district.

8     *b.* The area is in whole or in part either an economic  
9 development enterprise zone designated under chapter 15E,  
10 division XVIII, or an urban renewal area established pursuant  
11 to chapter 403.

12     *c.* The area consists of contiguous parcels and does not  
13 exceed fifty acres in total.

14     *d.* For a municipality that is a city, the area does not  
15 include the entire incorporated area of the city.

16     2. Prior to submission to the board for approval under  
17 subsection 3, a proposed district plan shall be developed  
18 and approved by resolution of the governing body of the  
19 municipality. The proposed district plan shall state the  
20 governing body's intent to establish a district. The proposed  
21 district plan shall also include all of the following:

22     *a.* A finding by the governing body that the area in the  
23 proposed district is an area suitable for development.

24     *b.* A legal description of the real estate forming the  
25 boundaries of the area to be included in the proposed district  
26 along with a map depicting the existing parcels of real estate  
27 located in the proposed district.

28     *c.* A list of the names and addresses of the owners of record  
29 of the parcels to be included in the proposed district.

30     *d.* A list of all projects proposed to be undertaken within  
31 the district, a detailed description of those projects, and  
32 a project plan for each proposed project. Each project plan  
33 shall clearly state the estimated cost of the project, the  
34 anticipated funding sources for the project, and the amount and  
35 type of debt, if any, to be incurred by the municipality to





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1 fund the project, and shall include a project feasibility study  
2 conducted by an independent professional with expertise in  
3 economic development and public finance. The feasibility study  
4 shall include projections and analysis of all of the following:

5 (1) The amount of gross revenues expected to be collected in  
6 the district as a result of the project for each year that the  
7 district is in existence.

8 (2) A detailed explanation of the manner and extent to which  
9 the project will contribute to the economic development of  
10 the state and the municipality, including an analysis of the  
11 project's economic impact. The analysis shall include the same  
12 components and be conducted in the same manner as the economic  
13 impact study required under paragraph "e".

14 (3) An estimate of the number of visitors or customers  
15 the project will generate during each year that the district  
16 exists.

17 (4) A description of the unique characteristics of the  
18 project.

19 e. An economic impact study for the proposed district  
20 conducted by an independent economist retained by the  
21 municipality. The economic impact study shall, at a minimum,  
22 do all of the following:

23 (1) Contain a detailed analysis of the financial benefit  
24 of the proposed district to the economy of the state and the  
25 municipality.

26 (2) Identify one or more projected market areas in which the  
27 district can reasonably be expected to have an economic impact.

28 (3) Assess the fiscal and financial impact of the proposed  
29 district on businesses or on other economic development  
30 projects within the projected market area.

31 3. a. The municipality shall submit a copy of the  
32 resolution, the proposed district plan, and all accompanying  
33 materials adopted pursuant to this section to the board for  
34 evaluation and approval.

35 b. The board shall evaluate each municipality's proposed



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1 district plan and accompanying materials and shall approve the  
2 district plan and establishment of the district if the board  
3 determines that, in addition to other criteria established by  
4 the board by rule, all of the following conditions are met:

5 (1) The area of the municipality proposed to be included in  
6 the district meets the requirements of subsection 1.

7 (2) The projects proposed to be undertaken in the district  
8 will have a substantial beneficial impact on the economy of the  
9 state and the economy of the municipality.

10 (3) The proposed funding sources for each project are  
11 feasible.

12 c. If the board denies a proposed district plan, the board  
13 shall state the reasons for the denial and the municipality may  
14 resubmit the application.

15 d. As part of its approval of a proposed district plan,  
16 the board may, subject to the authorized amounts under section  
17 15J.4, establish maximum amounts of state sales tax revenues  
18 or state hotel and motel tax revenues, or both, that may be  
19 remitted to a municipality's reinvestment project fund. Such  
20 maximum amounts shall be determined based on the financing  
21 needs of the project and the economic impact to the state.

22 4. Upon receiving the approval of the board, the  
23 municipality may adopt an ordinance establishing the district  
24 and shall notify the director of revenue of the establishment  
25 of the district. The ordinance adopted by the municipality  
26 shall include a detailed statement of the manner in which  
27 the approved projects to be undertaken in the district will  
28 be financed, including but not limited to the financial  
29 information included in the project plan under subsection 2,  
30 paragraph "d". Following establishment of the district, a  
31 municipality may use the moneys deposited in the municipality's  
32 reinvestment project fund created pursuant to section 15J.6  
33 to fund the development of those projects included within the  
34 district plan.

35 5. A municipality may amend the district plan to add



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1 or modify projects. However, a proposed modification to a  
2 project and each project proposed to be added shall first be  
3 approved by the board in the same manner as provided for the  
4 original plan. In no case, however, shall an amendment to  
5 the plan result in the extension of the district dissolution  
6 date provided in section 15J.7. If a district plan is amended  
7 to add or modify a project, the municipality shall amend  
8 the ordinance, if necessary, to reflect any changes to the  
9 financial information required to be included under subsection  
10 4.

11 Sec. 4. NEW SECTION. 15J.4 New state tax revenue  
12 calculations.

13 1. a. The department of revenue shall calculate quarterly  
14 the amount of new state sales tax revenues for each district  
15 established in the state to be deposited in the state  
16 reinvestment district fund created in section 15J.5, pursuant  
17 to section 423.2, subsection 11, paragraph "b".

18 b. The amount of new state sales tax revenue for purposes  
19 of paragraph "a" shall be the product of the amount of sales  
20 subject to the state sales tax in the district during the  
21 quarter from retailers holding a retail sales tax permit issued  
22 on or after the date the ordinance establishing the district  
23 was first adopted under section 15J.3, subsection 4, times four  
24 percent.

25 2. a. The department of revenue shall calculate quarterly  
26 the amount of new state hotel and motel tax revenues for each  
27 district established in the state to be deposited in the state  
28 reinvestment district fund created in section 15J.5, pursuant  
29 to section 423A.6.

30 b. The amount of new state hotel and motel tax revenue for  
31 purposes of paragraph "a" shall be the product of the amount of  
32 sales subject to the state hotel and motel tax in the district  
33 during the quarter from retailers or lessors holding a permit  
34 for the collection of the state hotel and motel tax issued  
35 on or after the date the ordinance establishing the district



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1 was first adopted under section 15J.3, subsection 4, times the  
2 state hotel and motel tax rate imposed under section 423A.3.

3     3. Each municipality that has established a district  
4 under this chapter shall assist the department of revenue in  
5 identifying retail establishments in the district that are  
6 collecting state sales tax and lessors in the district that are  
7 collecting state hotel and motel tax. This process shall be  
8 ongoing until the municipality ceases to utilize state sales  
9 tax revenue or state hotel and motel tax revenue under this  
10 chapter or the district is dissolved.

11     Sec. 5. NEW SECTION. 15J.5 State reinvestment district  
12 fund.

13     1. A state reinvestment district fund is established in the  
14 state treasury under the control of the department of revenue  
15 consisting of the new state sales tax revenues collected within  
16 each district and deposited in the fund pursuant to section  
17 423.2, subsection 11, paragraph "b", and the new state hotel and  
18 motel tax revenues collected within each district and deposited  
19 in the fund pursuant to section 423A.6. Moneys deposited in  
20 the fund are appropriated to the department of revenue for the  
21 purposes of this section. Moneys in the fund shall only be  
22 used for the purposes of this section.

23     2. A district account is created within the fund for each  
24 district created by a municipality under this chapter.

25     3. The department of revenue shall deposit the moneys  
26 described in subsection 1 into the appropriate district account  
27 in the fund beginning the first day of the quarter following  
28 adoption of the ordinance by the municipality under section  
29 15J.3, subsection 4.

30     4. All moneys in each district account within the fund  
31 shall be remitted quarterly by the department of revenue to the  
32 municipality that established the district for deposit in the  
33 municipality's reinvestment project fund established pursuant  
34 to section 15J.6.

35     5. The department of revenue shall adopt rules for the



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1 remittance of moneys to municipalities.

2 Sec. 6. NEW SECTION. 15J.6 Reinvestment project fund.

3 1. State sales tax revenue and state hotel and motel tax  
4 revenue remitted by the department of revenue to a municipality  
5 pursuant to section 15J.5 shall be deposited in a reinvestment  
6 project fund of the municipality and shall be used to fund  
7 projects within the district from which the revenues were  
8 collected. If the municipality determines that the revenue  
9 accruing to the reinvestment project fund exceeds the amount  
10 necessary for these purposes, the excess moneys that are  
11 remittances received under section 15J.5 and all interest in  
12 the fund attributable to such excess amounts shall be remitted  
13 by the municipality to the department of revenue for deposit in  
14 the general fund of the state.

15 2. In addition to the moneys received pursuant to section  
16 15J.5, a municipality may deposit in the reinvestment project  
17 fund any other moneys lawfully at the municipality's disposal,  
18 including but not limited to local sales and services tax  
19 receipts collected under chapter 423B if such use is a purpose  
20 authorized for the municipality under chapter 423B.

21 3. a. Moneys from any source deposited into the  
22 reinvestment project fund shall not be expended for or  
23 otherwise used in connection with a project that includes  
24 the relocation of a commercial or industrial enterprise not  
25 presently located within the municipality, unless one of the  
26 following occurs:

27 (1) The local governing body of the municipality where  
28 the commercial or industrial enterprise is currently located  
29 and the local governing body of the municipality where the  
30 commercial or industrial enterprise is proposing to relocate  
31 have either entered into a written agreement concerning the  
32 relocation of the commercial or industrial enterprise or have  
33 entered into a written agreement concerning the general use  
34 of economic incentives to attract commercial or industrial  
35 development within those municipalities.



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1     (2) The local governing body of the municipality where the  
2 commercial or industrial enterprise is proposing to relocate  
3 finds that the use of moneys in the reinvestment project fund  
4 for a project that includes such a relocation is in the public  
5 interest. A local governing body's finding that a project that  
6 includes a commercial or industrial enterprise relocation is  
7 in the public interest shall include written verification from  
8 the commercial or industrial enterprise that the enterprise is  
9 actively considering moving all or a part of its operations to  
10 a location outside the state and a specific finding that such  
11 an out-of-state move would result in a significant reduction  
12 in either the enterprise's total employment in the state or in  
13 the total amount of wages earned by employees of the enterprise  
14 in the state.

15     **b.** For the purposes of this subsection, "*relocation*"  
16 means the closure or substantial reduction of an enterprise's  
17 existing operations in one area of the state and the initiation  
18 of substantially the same operation in the same county or a  
19 contiguous county in the state. "*Relocation*" does not include  
20 an enterprise expanding its operations in another area of the  
21 state provided that existing operations of a similar nature are  
22 not closed or substantially reduced.

23     4. Upon dissolution of a district pursuant to section 15J.7,  
24 if moneys remitted to the municipality pursuant to section  
25 15J.5 remain in the municipality's reinvestment project fund  
26 and those moneys are not necessary to support completion of  
27 a project in the dissolved district, such amounts and all  
28 interest remaining in the fund that was earned on such amounts  
29 shall be remitted by the municipality to the department of  
30 revenue for deposit in the general fund of the state.

31     5. Upon dissolution of a district pursuant to section 15J.7,  
32 moneys remaining in the reinvestment project fund that were  
33 deposited pursuant to subsection 2 and all interest remaining  
34 in the fund that was earned on such amounts shall be deposited  
35 in the general fund of the municipality.



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1     Sec. 7. NEW SECTION. 15J.7 **District dissolution.**

2     1. A district established pursuant to this chapter is  
3 dissolved twenty-five years from the date the ordinance was  
4 first adopted under section 15J.3, subsection 4, unless the  
5 municipality dissolves the district by ordinance prior to that  
6 date.

7     2. Upon expiration of the twenty-five-year period or  
8 upon adoption of an ordinance dissolving the district, the  
9 municipality shall notify the director of revenue of the  
10 dissolution of the district.

11    3. Upon receipt of the notice pursuant to subsection 2,  
12 the department of revenue shall cease to deposit state sales  
13 tax revenues and state hotel and motel tax revenues into the  
14 district's account within the fund.

15    Sec. 8. Section 423.2, subsection 11, paragraph b, Code  
16 2013, is amended by adding the following new subparagraph:

17     NEW SUBPARAGRAPH. (6) Beginning the first day of the  
18 quarter following adoption of an ordinance pursuant to section  
19 15J.3, subsection 4, transfer to a district account created  
20 in the state reinvestment district fund for each reinvestment  
21 district established under chapter 15J, the amount of new state  
22 sales tax revenue, determined in section 15J.4, subsection 1,  
23 paragraph "b", in the district, that remains after the prior  
24 transfers required under this paragraph "b".

25    Sec. 9. Section 423A.6, unnumbered paragraph 1, Code 2013,  
26 is amended to read as follows:

27    The director of revenue shall administer the state and local  
28 hotel and motel tax as nearly as possible in conjunction with  
29 the administration of the state sales tax law, except that  
30 portion of the law which implements the streamlined sales and  
31 use tax agreement. The director shall provide appropriate  
32 forms, or provide on the regular state tax forms, for reporting  
33 state and local hotel and motel tax liability. All moneys  
34 received or refunded one hundred eighty days after the date  
35 on which a city or county terminates its local hotel and



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1 motel tax and all moneys received from the state hotel and  
2 motel tax shall be deposited in or withdrawn from the general  
3 fund of the state. Beginning the first day of the quarter  
4 following adoption of an ordinance pursuant to section 15J.3,  
5 subsection 4, the director of revenue shall transfer from the  
6 general fund of the state to a district account created in  
7 the state reinvestment district fund for each reinvestment  
8 district established under chapter 15J, the new state hotel and  
9 motel tax revenue, determined in section 15J.4, subsection 2,  
10 paragraph "b", in the district.

11 EXPLANATION

12 This bill enacts new Code chapter 15J, the "Iowa  
13 Reinvestment Act".

14 The bill authorizes municipalities to establish reinvestment  
15 districts and receive remittances of specified amounts of state  
16 sales tax revenues and state hotel and motel taxes collected  
17 in those districts for use in undertaking projects, as defined  
18 in the bill, in the district.

19 A municipality that has an area suitable for development  
20 within the boundaries of the municipality is eligible to  
21 seek approval from the economic development authority board  
22 to establish a reinvestment district under new Code chapter  
23 15J consisting of the area suitable for development. To be  
24 designated a reinvestment district, an area shall meet the  
25 following requirements: (1) the area consists only of parcels  
26 of real property that the governing body of the municipality  
27 determines will be directly and substantially benefited by  
28 development in the proposed district, (2) the area is in whole  
29 or in part either an economic development enterprise zone  
30 designated under Code chapter 15E, division XVIII, or an urban  
31 renewal area established pursuant to Code chapter 403, (3) the  
32 area consists of contiguous parcels and does not exceed 50  
33 acres, and (4) for a municipality that is a city, the area does  
34 not include the entire incorporated area of the city.

35 Prior to submission to the economic development authority





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1 board for approval, the municipality must develop a proposed  
2 district plan and approve it by resolution of the governing  
3 body of the municipality. The proposed district plan shall  
4 state the governing body's intent to establish a district. The  
5 proposed district plan shall include a finding by the governing  
6 body of the municipality that the area in the proposed district  
7 is an area suitable for development. The proposed district  
8 plan must also include information relating to the composition  
9 of the proposed district, a list and detailed description of  
10 all projects proposed to be undertaken within the district, a  
11 project plan for each proposed project, and an economic impact  
12 study for the proposed district.

13 The economic development authority board is required  
14 to evaluate each municipality's proposed district plan and  
15 accompanying materials and shall approve the district plan and  
16 establishment of the district if the board determines that,  
17 in addition to other criteria established by the board by  
18 rule, the area of the municipality proposed to be included in  
19 the district is suitable for development, as defined in the  
20 bill, the projects proposed to be undertaken in the district  
21 will have a substantial beneficial impact on the economy of  
22 the state and the economy of the municipality, and that the  
23 proposed funding sources for each project are feasible.

24 If the economic development authority board approves  
25 the district plan and establishment of the district, the  
26 municipality may adopt an ordinance establishing the district  
27 and shall notify the director of revenue of the establishment  
28 of the district. The bill provides that an amendment to the  
29 district plan to add or modify a project must be approved by  
30 the board in the same manner as the original district plan.

31 The bill authorizes the economic development authority board  
32 to establish, subject to the amounts authorized in the bill,  
33 maximum amounts of state sales tax revenues or state hotel  
34 and motel tax revenues, or both, that may be remitted to a  
35 municipality's reinvestment project fund.

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1 The bill authorizes a municipality to use specified new  
2 state sales tax revenues and specified new state hotel and  
3 motel tax revenues for those projects being undertaken in the  
4 district that were approved by the board. The bill calculates  
5 the amount of new state sales tax revenues and new state hotel  
6 and motel tax revenues using only those sales subject to those  
7 taxes from retailers and lessors holding sales tax permits  
8 issued on or after the date the district was established by  
9 ordinance. The department of revenue calculates quarterly the  
10 amount of new state sales tax revenues and new state hotel  
11 and motel tax revenues for each district established in the  
12 state to be deposited in the district's account in the state  
13 reinvestment district fund created in the bill. The amount of  
14 new state sales tax revenue is calculated using a 4 percent  
15 tax rate instead of the 6 percent tax rate imposed under Code  
16 section 423.2. All moneys in each district account within the  
17 fund shall be remitted quarterly by the department of revenue  
18 to the municipality that established the district for deposit  
19 in the municipality's reinvestment project fund established  
20 in the bill and used to fund projects within the district  
21 from which the revenues were collected. The bill imposes  
22 limitations on the use of moneys deposited in a municipality's  
23 reinvestment project fund.

24 The bill provides for the remittance by the municipality  
25 to the department of revenue of specified amounts accruing  
26 to the municipality's reinvestment project fund or remaining  
27 in the municipality's reinvestment project fund following  
28 dissolution of the district that the municipality determines to  
29 be unnecessary to fund the projects in the district.

30 The bill provides that a district established under new  
31 Code chapter 15J is dissolved 25 years from the date the  
32 ordinance to establish the district was first adopted, unless  
33 the municipality dissolves the district by ordinance prior to  
34 that date. Upon dissolution of a district, the department of  
35 revenue shall cease to deposit state sales tax revenues and



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1 state hotel and motel tax revenues into the district's account  
2 within the state reinvestment district fund.